



12.22.20

CT Paid Leave Funding Begins January 2021

Background

Connecticut has created a statewide Family and Medical Leave Insurance program, which provides benefits to employees who take leave for reasons covered under the existing Connecticut Family and Medical Leave Act (CTFMLA). Funding for the program begins January 1, 2021, and employees may begin applying for Paid Leave benefits effective January 1, 2022. For more information on the CT Paid Family and Medical Leave, see HRK's recent [e-Alert](#).

Summary

Funding of the Connecticut Paid Leave (CTPL) Program

- Employees will fund the Connecticut Paid Leave program by contributing one-half of one percent (0.5%) of their earnings via mandatory payroll tax beginning January 1, 2021.
- Employers are not required to contribute to CTPL; however, they are required to withhold and remit employee contributions to the program.
- A self-employed individual or sole proprietor may voluntarily participate in the program.

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Employer Next Steps

- You must register your business with the CT Paid Leave Insurance Authority **before** December 31, 2020. See the CT Paid Leave [website](#) for Registration information and helpful checklists.
- Confirm that deductions are set in your payroll system beginning on January 1, 2021.
- Ensure that the employee contribution amounts will be displayed on pay statements.
- You are required to report employees' wages and payments to the CT Paid Family and Medical Leave Insurance Authority quarterly on the following schedule:
 - April 30, 2021
 - June 30, 2021
 - September 30, 2021
 - December 31, 2021
- On November 1, 2022, and on each November thereafter, the Authority may announce a revision to the previously established contribution rate, but not to exceed one-half of one percent. Effective on January 1 of the calendar year following each such announcement, the revised contribution rate will supersede the previously established contribution rate.
- Be sure to review your handbook and parental leave policy to ensure compliance with this new law! If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please [email us](#).

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