



RISK STRATEGIES

Massachusetts Paid Family & Medical Leave

ACEC of Massachusetts

January 27, 2021

Overview

Creates a state-run system for providing paid leave to eligible workers

- Funded through contributions from workers and companies (can be handled through private plan)
- Employees must give **at least 30 days' notice** of the planned start date of a leave and expected date of return (when practicable); employees then file claim through the state or private plan
- Benefit caps at \$850 per week



Overview

Benefits & Timeline

- 12/2/2020
 - Applications for child bonding allowed (1/1/2021 to begin leave)
- 1/1/2021
 - up to 20 weeks of Medical Leave for employees own condition
 - up to 12 weeks of Family Leave for birth, adoption, or foster care placement
 - up to 12 weeks of Family Leave for family member called to active duty (Guards/Reserves included)
 - up to 26 weeks of Family Leave for care for service member with serious condition
- 7/1/2021
 - up to 12 weeks of paid Family Leave to care for a family member with a serious health condition

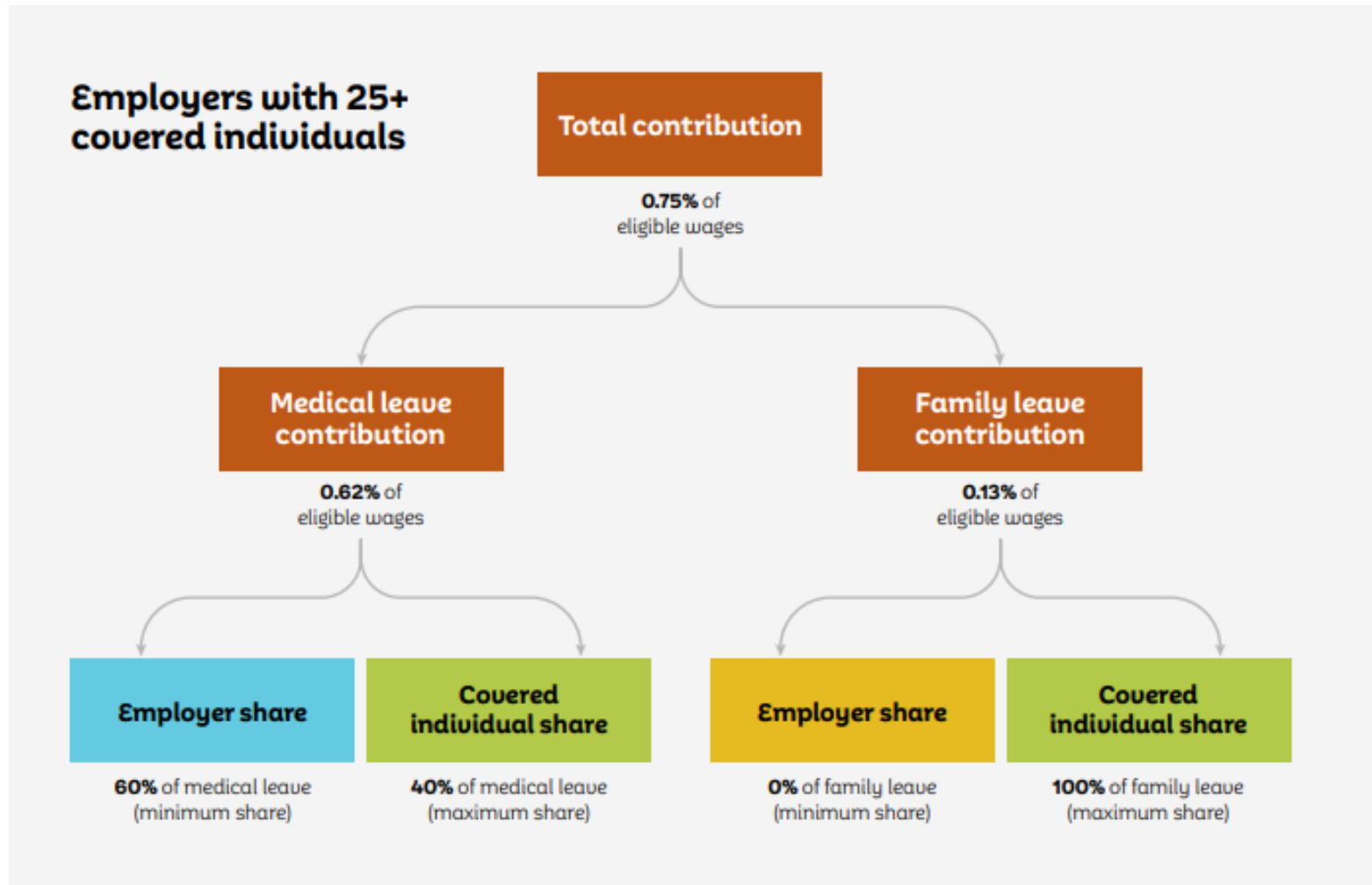
**Limit of 26 weeks combined family and medical leave may be taken in rolling 52-week period*



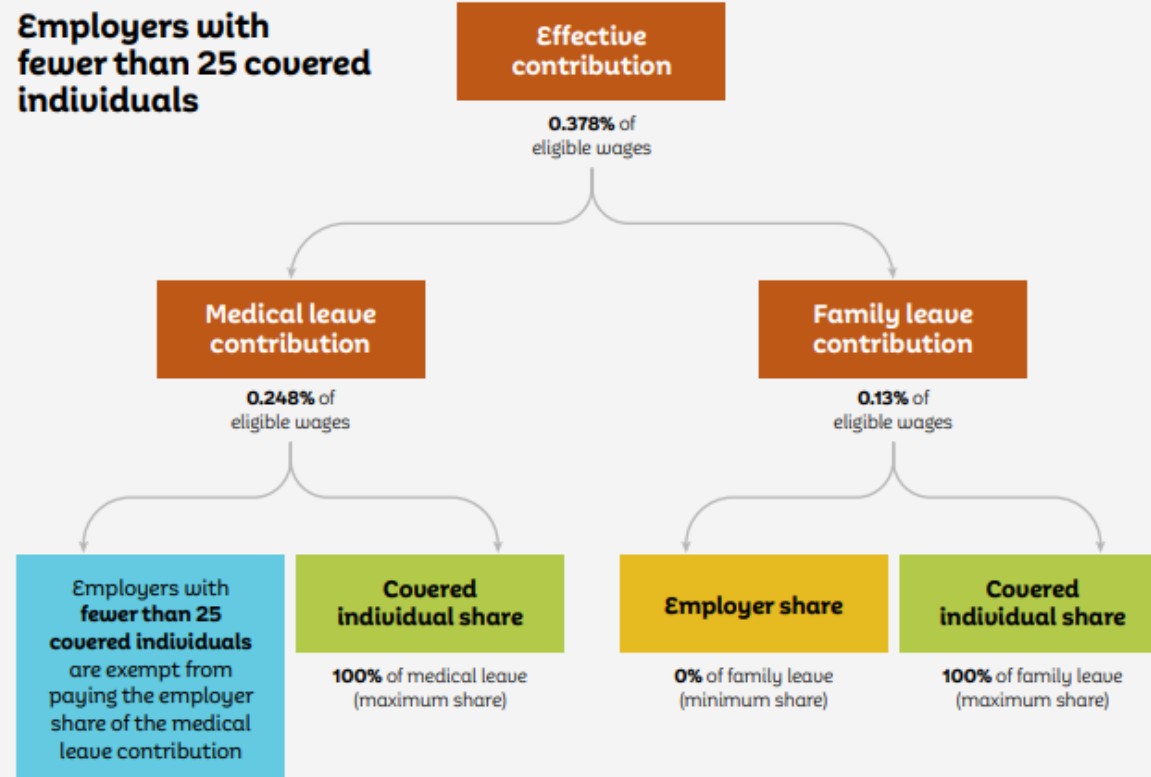
Other things to know

- PFML applies in addition to other legally protected leaves, but
 - Concurrently with FMLA & MA parental leave
 - Workers may use PTO for 7 day waiting period for PFML benefits to start
 - Cannot require employees to use PTO during PFML Leave
- If you are using the state plan, you cannot supplement PFML benefits with accrued time (PTO, Sick or Vacation)
- Protection against retaliation the moment employer is notified of a leave
- All employee benefit deductions must remain what they are for active employees

Contributions



Contributions



Small employers are responsible for submitting the funds withheld from covered individuals' wages but are under no obligation to contribute themselves. However, they may elect to cover some or all of the covered individuals' share.



Private or State

Things to think about ...

- Rates/Cost – NY PFML looking at 400% rate increase. When will that hit MA?
- Carrier claims departments are not used to this - can they execute?
- State of Massachusetts, you built it, you handle it – issues are between employee & state
- One provider, one benefit, why integrate both?
- Ease of state “tax” vs. breaking out multiple portions of the private plan costs
- For a private plan to be approved, you would have had to augment it to comply. Including adding Family leave. There have been examples of difficulty in managing deductions appropriately with varying levels of contribution.
- Is the juice worth the squeeze?



ABC Inc.

“We have 100 employees, and we offer a generous Short Term Disability benefit of 60% to \$2,000 per week. We weren’t able to devote the proper attention to filing privately, so we started deductions in October of 2019. Now we’ve paid for something and we don’t want to just walk away. What should we do?”

- Use both.
 - Your \$2,000 benefit will be offset by the state Medical leave benefit, and your STD rate should have been adjusted for that.
 - Employees will use both benefits for Medical leave, and will have the state benefit for Family leave.

“Should we do anything to our LTD plan?”

- It depends. The Paid Medical Leave benefit is 20 weeks. Most LTD plans are designed to pick up coverage when STD ends. You should think about 1) Looking critically at how the rolling 52 week time period could impact the time you would want LTD to begin is important, and 2) look into whether your LTD carrier can offer a 140 day elimination period for LTD. Not all are filed for this.

David & Sons Co.



DBE LLC

“One of our employees is about to have surgery requiring 3 months of absence. What is best for them and/or for the company between PTO, STD insurance and PFML?”

- For the first 8 days, the employee would use PTO. Then they would file with the state for PFML, and at the same time do an STD claim. The state will pay the first \$850, and then your STD would pay the balance up to their maximum weekly benefit.

“We’re concerned with where rates may go given that we think there’s going to be a lot of employees taking advantage of the Family leave aspect of the law. We’re currently using the state plan and we dropped our STD entirely. What should we do?”

- Each quarter you can move into an approved private plan.

XYZ LLC



More Questions?





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