



March Statutory Updates

It's business as usual for many states, as they continue to forge ahead with their paid family and medical leave programs amidst the ongoing pandemic. 2021 holds several key milestones for both Massachusetts and Connecticut and having an awareness for emerging state legislation is critical in ensuring your organization is compliant. Whether you outsource programs or manage in-house, understanding the program and your employer responsibilities, engaging business partners and employment counsel, and researching and determining how these programs interact with other leaves and paid benefits will set your organization up for success.

Connecticut PFML

January marked the beginning of payroll deductions for Connecticut Paid Family and Medical Leave (CT PFML) benefits. The contribution obligation begins with the first paycheck on or after January 1, 2021. The state program, which is funded entirely by employee payroll deductions, requires a withholding of one half of one percent of wages that are subject to Social Security taxes and contributions are payable to the Connecticut Paid Leave Authority (CT PLA) on a quarterly basis. First quarter contributions are due on March 31, 2021, but employers have until April 20, 2021 to remit their first quarter payment. Currently, there are no notification requirements to employees regarding these withholdings; however, the state has supplied a sample paycheck insert on their website which can be provided to impacted employees. This, along with several other sample notifications, can be found on the employer landing page of www.ctpaidleave.org.¹

There have been many questions related to CT PFML contributions and the funding of said contributions; namely, employers questioning whether they can opt to cover the premiums in any way. Where, historically, we have seen employers covering the cost of the employee's portion of premium contributions toward various state-mandated programs, there are added complexities with regard to how the CT PFML program has been structured. Under CT PFML, **employees are obligated** to pay the contributions into the Paid Leave Trust Fund. Meaning, if the employer wishes to "cover" the contribution, they would need to do so by increasing the employee's wages enough to cover both the one half of one percent contribution obligation, as well as the tax implications of increasing the employee's wages; effectively, by giving the employee a bonus.

Since this arrangement will impact both the employee and employer from a tax standpoint, employers should consult their tax advisors and employment attorneys to determine the full impact of this decision. Of note, employers choosing to implement a private plan may also choose how they wish to fund the plan contributions.

Employer registration went live in November 2020. Employers who have not already registered should do so by visiting www.ctpaidleave.org. As part of the registration process, employers can indicate whether they are considering a private plan option. There is also an opportunity during registration to specify whether employers are utilizing any vendor assistance (e.g., payroll administrators), which may impact the reporting and remittance of contributions. Employers choosing to move forward with a private plan application will subsequently have the opportunity to indicate whether they are leveraging any vendor administrative services, with regard to actual program administration. The state has dedicated a section of its website to private plans, including what documentation will be collected and uploaded as part of the private plan process.

Our sister company, Pacific Resources, facilitated a second meeting with the State on February 3, 2021, thereby creating an open forum for discussion with the CT PLA. If you are interested in viewing the recording, please visit <https://www.pacresbenefits.com/webinar/ctpfml2>.



Massachusetts PFML

JBenefits officially began in Massachusetts on January 1, 2021. Initial feedback indicates employers are concerned with employee benefit applications and employer notifications; most notably, difficulties contacting the Department of Family and Medical Leave (DFML) telephonically, occasional online errors when applying for benefits and employers being asked to recreate online accounts due to misdirected notifications.

As the DMFL works through some of these issues, employers are likely to hear increased noise and potential conflicting claim information from employees. Consider adding additional internal and third-party touchpoints to address these discrepancies properly. Touchpoints may include additional internal monitoring of leaves, leveraging vendor support to assist employees with benefit questions and continued monitoring of the [MA PFML website](#) for important DFML announcements.

Oregon PFML

The Oregon Paid Family and Medical Leave program has begun drafting its proposed administrative rules, including benefit definitions and requirements for private plans. Hays Companies will continue to evaluate these rules as they are released and will provide commentary when necessary.

Washington PFML:

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This article was originally published by Pacific Resources. To view, click [here](#).

¹Connecticut Paid Leave. (n.d.). Retrieved January 26, 2021, from https://ctpaidleave.org/s/employer-landing-page?language=en_US

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