State Holding Firm on Paid Leave Tax, Benefit Levels

As it begins a second year of collecting a tax from employers to fund a soon-to-launch state benefit program, a state agency announced that it will not make any changes to the contribution rate or maximum weekly benefit for the next year. The Department of Family and Medical Leave said Friday that it will continue collecting a 0.75 percent payroll tax to build up the pool of money that workers will soon be able to draw upon to more easily take care of themselves and their families without facing a major financial crunch. The maximum weekly benefit under the program will remain at $850, the department said. The tax first went into effect Oct. 1, 2019. Each Oct. 1, DFML is supposed to determine if the rate or maximum weekly benefit needs to be adjusted to ensure the program's fund has a sufficient balance for the benefits it expects to pay out. DFML said Friday that neither would be adjusted until October 2021. The paid family and medical leave law, part of the June 2018 "grand bargain" legislation, calls for up to 12 weeks of job-protected paid leave to care for a seriously ill or injured family member, to care for a new child, or to meet family needs arising from a family member's active-duty military service. It also authorizes up to 20 weeks of job-protected paid leave to recover from a worker's own serious illness or injury, or to care for a seriously ill or injured service member. Benefits will become available on Jan. 1, 2021 for workers seeking time off to bond with a new child, take care of a sick or injured service member or to tend to a serious personal health condition. On July 1, 2021, benefits will be made available for workers to care for a family member with a serious health condition. DFML has previously estimated that it will need about $1.4 billion to cover the first year of benefits. The commonwealth itself -- the largest single employer in Massachusetts -- expects to contribute $18 million annually. - Colin A. Young/SHNS