

Massachusetts Updates Paid Family and Medical Leave Contribution Rates, Maximum Weekly Benefits for 2023

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The Massachusetts Department of Family and Medical Leave has announced changes to the employer contribution rates and benefit amounts under the Paid Family and Medical Leave Act (PFMLA) effective January 1, 2023.

Each October 1st, the Department of Family and Medical Leave is required to update employer contribution rates and benefit amounts for the upcoming year. The change in benefit amounts is based on the average weekly wage in the Commonwealth and the change in contribution rates is to be made to ensure the Fund's solvency for paying out benefits.

Following are the announced changes to the PFMLA:

1. The benefit contribution rate for employers has been reduced to .63% of eligible wages. Currently, the benefit contribution rate is .68% of eligible wages (which are wages up to the social security contribution limit).

The specific benefit contribution rates are as follows:

- a. For employers with 25 or more covered individuals, for the family leave contribution, the employer can withhold .11% of eligible wages. As for the medical leave contribution, the employer can withhold .208% of eligible wages and is responsible for paying .312% of eligible wages directly.
- b. For employers with 24 or fewer covered individuals, for the family leave contribution, the employer can withhold .11% of eligible wages. As for the medical leave contribution, the employer can withhold .208% of eligible wages. For these smaller employers, the employer has no obligation to pay the employer share for medical leave.

These new contribution rates apply equally to employers that have private plans, so all employers must review and update their plans and contribution rates for January 1, 2023.

2. The maximum weekly benefit amount will be \$1,129.82 per week.

The Department increased the maximum weekly benefit amount available to individuals to \$1,129.82. This benefit is keyed off the Commonwealth's average weekly wage and is an increase from the current amount, which is \$1,084.31 a week.

For additional guidance, please contact a Jackson Lewis attorney.

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