

District of Columbia Marks Start of July with Paid Family Leave Taxes

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Starting on July 1, 2019, the District of Columbia will begin collecting taxes from most of the District's private sector employers and non-profit organizations to fund a new Paid Family Leave (PFL) benefit.

This tax will equate to 0.62% (0.0062) of all quarterly wages for each employee who is also covered under the D.C. Unemployment Act. Although it is calculated based on employees' quarterly wages, the cost cannot be deducted from employee pay.

On July 1, 2019, employers are required to submit wage reports (Form UC-30) to cover both unemployment insurance and PFL requirements. These reports are based on the wage tracking that employers must conduct on covered employees between April 1, 2019, and June 30, 2019. Employers can start paying their initial quarterly tax starting on July 1, 2019. The tax will be based on the calculation of employee wages for the months of April, May, and June 2019. The deadline to pay this tax is July 31, 2019.

If the contributions are not paid when due, an interest rate of 1.5% per month will be assessed until the contributions are made. If contributions are not paid, or wage reports are not filed on or before the first day of the second month following the close of the calendar quarters for which they are due, an added penalty of \$100 or 10% of the amount due (whichever is higher) will be assessed. This penalty is a flat payment and does not accrue interest.

In addition to tracking employee wages and making quarterly tax payments, employers also are required to post a notice about Paid Family Leave in a place that is accessible to all workers.

Employees cannot start receiving PFL benefits until July 1, 2020. Further, PFL benefits are available to most employees who work in the District, even if they live in Maryland or Virginia. For background information on the Universal Paid Leave Amendment Act of 2016, which established the paid leave system, and how it was enacted, see our article, [Paid Family Leave Law Approved by D.C. Council in Veto-Proof Vote](#)

Please contact a Jackson Lewis attorney with any questions about the PFL and employee leave management.

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