

Employment Law Alert: Employer's Watch List for 2023

Updates to the MA Paid Family and Medical Leave Act

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As we wind down 2022 and look forward to 2023, employers should be ready to implement changes to the Massachusetts Paid Family and Medical Leave Act (the "Act"). The Massachusetts Department of Family and Medical Leave (the "Department") just announced important technical changes to the Act. These changes will all take effect on January 1, 2023. Here's what employers need to know:

1. *Contribution Rate Decrease:* In 2022, the employer contribution rate was 0.68%. The Department announced that this rate will decrease to 0.63% for employers with 25 or more covered individuals as of January 1, 2023. For employers with fewer than 25 covered individuals, the contribution rates will decrease from 0.344% to 0.318%.
2. *Maximum Weekly Benefit Increase:* The maximum weekly benefit that employees are eligible to receive through the PFML will be increased to \$1,129.82. The current weekly benefit amount is \$1,084.31.
3. *New Notification & Rate Sheets:* The Department published new notification and rate sheets reflecting the updated contribution rate and weekly benefit increase. **Current employees must receive written notification of the updates on or before December 2, 2022.** The notification may be sent via email, and no updated employee signatures are required. For new hires, employees must receive written notification within 30 days of hire. **Download the new Notices and Rate sheets.**
4. *Updates to Definition of "Covered Individual":* To be a "covered individual" under the PFML and eligible for benefits, the individual must have earned more than 30 times the expected benefit and *more than \$6,000* in the last four completed quarters preceding the application for benefits. This is an increase from \$5,700 in 2022.
5. *Updated Mandatory 2023 Poster:* Employers must post the poster in a conspicuous place, such as a break room. Employers may also post it electronically, so that it is available for remote workers as well. **Download the new Notice of Benefits 2023 poster.**

Prior to entering 2023, employers should be prepared to send new notifications to current employees, update the 2023 poster, and gear up their payroll services to reflect the above changes in January. Employers are also directed to update any written PFML policies to reflect these changes, to the extent they directly reference contribution rates or definitions of covered individuals.

Please contact your **Morse Team member** for additional information or questions on the Massachusetts Paid Family Medical Leave Act.