

Employers in Massachusetts can choose a private plan option to protect their workers with Paid Family and Medical Leave.

Under MA law, private plans must contain the same or more favorable benefits when compared to the state-run program. These benefits must be available to all covered workers under the PFML law and can be self-insured or fully insured. By providing such a paid leave benefit to their workforce, an employer may be eligible to receive an exemption from collecting, remitting, and paying contributions for paid family or medical leave under the state's Paid Family and Medical Leave (PFML) law, provided that the employer files and the state approves that private plan. Arch Insurance Company has approved plans available to cover paid family leave, paid medical leave or both that meet the requirements of the PFML law.

How it Works

- 1** Arch will work with you to develop a plan for your employees.
- 2** Submit an application through the Massachusetts Department of Revenue's MassTaxConnect website to file an exemption.
- 3** Once approved, your plan will go into effect the 1st day of the next quarter.
- 4** In order to keep your exemption, you will need to refile annually.

Employee FAQs

Why Choose a Private Plan?

The MA PFML plan that is run by the commonwealth assesses 0.88%, up to a maximum limit tied to the Social Security wage limit. Arch's plans may cost less than the state plan and offer excellent customer service.

Can I change to an Arch private plan if I've already started to take payroll deductions for the state plan?

Because private plan state-approved exemptions go into effect the first day of the new quarter, contributions collected in the current quarter will be due to the state. Arch premiums will begin upon the effective date of your policy.

How does an employer file for a private plan?

Using the MassTaxConnect website, employers can file for a MA PFML compliant private plan. Fully insured plans can use the Confirmation of Insured Policy Form provided by Arch along with the Arch policy as proof that a private plan will meet the state requirements for the exemption.

Can an employer submit different plans for different classes of workers (e.g. full time employees, part time workers, seasonal workers)?

No. A private plan must apply to all covered individuals within the businesses.

When will a private plan become effective after you are approved for an exemption?

If approved, the private plan will become effective on the first day of the following quarter in which your plan was approved.

What is the process for filing for an exemption?

On the Commonwealth's website, there is an online form of 25 questions that is needed to prove that the private plan you are offering is equal to or more favorable than the Commonwealth program. You will also need to upload a copy of your private plan to show that it meets the legal requirements for a complaint plan. This can be shown using the Confirmation of Insured Policy Form.

Once approved, employers will need to refile annually using the Confirmation of Insured Policy form as proof of coverage.

* This information has been compiled from <https://www.mass.gov/info-details/paid-family-and-medical-leave-pfml-overview-and-benefits> as of January 2023. Please refer to <https://www.mass.gov/info-details/paid-family-and-medical-leave-pfml-overview-and-benefits> for more detailed information.

What are the employer responsibilities for complying with the new PFML law?

In order to comply with PFML law, employers have the following responsibilities:

- Display the MA PFML Poster in a conspicuous place on your premises.
- Provide written notice to your workforce of PFML law, benefits, contribution rates, and other provisions. The notice may be electronic or printed and must include the opportunity for an employee to acknowledge receipt of the information, and must identify your chosen method of coverage (the state plan or a private plan).
- Prepare for MA PFML Statutory Reports for wages paid, payment for contract services rendered, and other information about their workforce.
- Determine contribution amounts for your workforce and for any contribution due as the employer using the new rate of 0.88% per dollar up to the social security cap.
- Set up payroll deductions or other methods of collection to ensure covered individual contributions, if applicable.

When will I be billed?

Arch billing will occur at the end of each quarter.

How does the state determine plan size?

The Commonwealth looks at last year's average size and configuration of the employer's workforce (W2 employees and 1099-MISC contractors) and will determine:

- If only employers with W2 employees or all of a business's workforce is covered under the law.
- If employers will be responsible for paying an employer's share of the contributions.
- If employers will be required to remit contributions only for W2 employees or for 1099-MISC contractors providing services to the business as well.

Small employers (less than 25 workers) are not responsible for paying the employer share of contributions in the state-run program. Arch's private plan may require the employer to contribute if premiums are more than the state cap for employee contributions.

For the state run program, how much are the premium contributions?

For 2024 and 2025, 0.88% assessment will be charged up to a maximum tied to the Social Security wage limit. Arch's MA PFML rates may differ.

Paying Premiums

Employers may choose to pay for all of the premiums for their employees, or collect payroll deductions up to 100% of the paid family leave benefit (.18% of wages) and 40% of the paid medical leave benefit (.28% of wages).

State Plan Pricing Estimates

Arch's MA PFML policy rates may differ from the state plan rates.

Benefit Calculations	Worker 1 Annual Income: \$25,000	Worker 2 Annual Income: \$75,000	Worker 3 Annual Income: \$176,100
Weekly Income	\$480.77	\$1,442.31	\$3,386.54
Benefit	\$384.62	\$1,084.31	\$1,170.64
Income Replacement Ratio	80.0%	75.2%	34.6%

Contribution Calculations	Worker 1 Annual Income: \$25,000	Worker 2 Annual Income: \$75,000	Worker 3 Annual Income: \$176,100
Assessment Rate	0.88%	0.88%	0.88%
Annual Total Contribution	\$220.00	\$660.00	\$1,549.68
Family Leave Worker Contribution	\$45.00	\$135.00	\$316.98
Medical Leave Worker Contribution	\$70.00	\$210.00	\$493.08
Minimum Employer Contribution	\$105.00	\$315.00	\$739.62
Maximum Worker Contribution	\$115.00	\$345.00	\$810.06

Benefit Availability

Unless otherwise noted, benefits will be available upon the effective date of the policy.

12-week benefits

- Care for sick family member
- Bond with a child (newborn, adoption or foster)
- Military exigency

20-week benefits

- Own serious medical condition

26-week benefits

- Care for sick family member with an illness or injury due to military service
- Maximum leave: combined medical and paid family leave

Aggregate Limit

- The total aggregate time an employee can take between medical and family leave is 26 weeks in one calendar year

Who is eligible for MA PFML benefits?

Individuals are eligible for PFML benefits if they are:

- Employees working for a Massachusetts business or a state agency.
- Self-employed individuals for whom an employer is required to report payment for services on IRS form 1099-MISC and required to make contributions under the MA PFML law.

Before applying for benefits, workers must have earned an amount set by the state annually during the last 4 completed calendar quarters and at least 30 times more than how much you would be eligible to get each week from your Paid Family Medical Leave benefits

What are the Earnings Requirements?

Covered individuals must also meet an earnings requirement to be eligible for benefits. Before applying for benefits, you must have earned at least:

- An amount set by the state annually during the last 4 completed calendar quarters, and
- At least 30 times more than how much you would be eligible to get each week from your Paid Family Leave benefits.

What is the maximum benefit payable under the MA PFML Law?

The maximum weekly benefit amount for any individual will be 64% of the Commonwealth average weekly wage, set at \$1,170.64 for 2025. Before October of each year, the department will establish a maximum weekly benefit amount at a level that is 64% of the then-applicable Commonwealth average weekly wage. The adjusted maximum weekly benefit amount will take effect on January 1 of the year following the new calculation.

How is the MA PFML benefit calculated?

The portion of an individual's average weekly wage that is equal to or less than 50% of the Commonwealth average weekly wage will be replaced at a rate of 80%; and the portion of an individual's average weekly wage that is more than 50% of the Commonwealth average weekly wage will be replaced at a rate of 50%.

The state of Massachusetts has an online calculator to help you run specific scenarios:

<https://www.mass.gov/info-details/calculate-employer-paid-family-and-medical-leave-contributions>

Types of Benefits and Protections

The private plan offered by Arch will meet and can exceed the requirements detailed by the Commonwealth of Massachusetts, as outlined below.

Paid Family Leave

Eligibility

All employees (full-time, part-time, permanent, or seasonal) are eligible for family leave benefits. This includes 1099 contractors if the business meets the criteria. Up to 12 weeks of paid leave to provide care to a family member with a serious health condition. Employee must be legally authorized to work in the U.S. Employee must be unemployed, or working significantly reduced hours, through no fault of your own. Employee must be able and willing to begin suitable work without delay when offered.

Weekly Benefit

The weekly paid benefit amount from Arch is greater than or equal to the amount by the PFML program administered by Department of Family and Medical Leave. In 2025, the maximum weekly benefit is \$1,170.64.

Health Care Benefits

Employer contributions to employment-related health insurance benefits must be maintained at the level and under the conditions of coverage that would have been provided if the employee had worked continuously during the qualified leave.

Job Protection

During a qualified leave, the covered individual has job protection.

Military Family Care

Arch Insurance offers at least 26 weeks of paid leave to provide care to a family member with a serious health condition suffered while on active duty in the armed forces.

Military Exigency

The plan includes up to 12 weeks of paid leave for an employee whose spouse, child or parent is a member of the Armed Forces and is on covered active duty or notified of an impending call or order to covered active duty.

Family Care

Arch Insurance's private plan includes up to 12 weeks of paid leave to provide care to a family member with a serious health condition.

Family Bonding

The Arch plan includes up to 12 weeks of paid leave to bond with a child during the first 12 months after a child's birth, or the first 12 months after adoption or foster placement of a child under the age of 18.

Intermittent Leave

Leave may be taken intermittently or on a reduced leave schedule, with the weekly benefit amount being prorated.

Presumptions

The private plan must state that all presumptions shall be made in favor of the availability of leave and the payment of leave benefits.

Employee Contributions

Employee contributions cannot exceed .18% of their annual wages, up to the social security limit (\$176,100 for 2025), with a maximum contribution of \$316.98.

Paid Medical Leave

Eligibility

All employees (full-time, part-time, permanent, or seasonal) are eligible for family leave benefits. This includes 1099 contractors if the business meets the criteria. Employee must be legally authorized to work in the U.S. Employee must be unemployed, or working significantly reduced hours, through no fault of your own. Employee must be able and willing to begin suitable work without delay when offered.

Weekly Benefit

The weekly paid benefit amount from Arch Insurance is greater than or equal to the amount by the PFML program administered by DFML. In 2025, the maximum weekly benefit is \$1,170.64.

Health Care Benefits

Employer contributions to employment-related health insurance benefits must be maintained at the level and under the conditions of coverage that would have been provided if the employee had worked continuously during the qualified leave.

Job Protection

During a qualified leave, the covered individual has job protection.

Duration

The Arch Insurance private plan offers a maximum of 20 weeks of paid medical leave if a covered individual is unable to work due to a serious health condition.

Intermittent Leave

Leave may be taken intermittently or on a reduced leave schedule, with the weekly benefit amount being prorated.

Presumptions

The private plan states that all presumptions shall be made in favor of the availability of leave and the payment of leave benefits.

Contributions

Employee contributions cannot exceed .28% of their annual wages up to the social security limit (\$176,100 for 2025) with a maximum contribution of \$493.08. Contributions for Paid Medical Leave can be shared between the employee and employer (40% employee and 60% employer). The Paid Medical Contribution amount is the Total Rate less the .18% for the Paid Family Leave. The employee Paid Medical Leave contribution percentage cannot exceed .28%

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