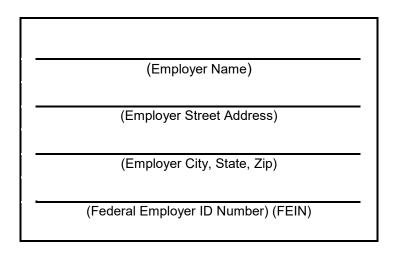
## **Employer Notice to 1099-MISC Contractors**

Covered Entities with fewer than 25 Workers

Rights and Obligations under the Massachusetts Family and Medical Leave Law, M.G.L. c. 175M



Under the Massachusetts Family and Medical Leave Law, M.G.L. c. 175M, a **covered business entity** is required to provide to each of its 1099-MISC contractors, at the time the contract is made, the information provided in this Notice.

A **covered business entity** is a business or trade that contracts with self-employed individuals for services and is required to report the payment to such individuals on IRS Form 1099-MISC *for more than 50 percent of its workforce*.

#### This organization:

<b>Is</b> a covered business entity under the law
Is not a covered business entity under the law

If this organization is a **covered business entity**, it is required under the law to remit contributions, on behalf of its 1099-MISC contractors as if they were employees, as outlined below. Accordingly, if this business is a covered business entity, you may be eligible for income replacement in certain circumstances as outlined below in the section titled "**Explanation of Benefits**."

If this organization is not a covered business entity, you may still choose to become a covered individual under the Family and Medical Leave law. If you choose to do so, please consult the **Self-Employed Notice of Election** for further information

### **Explanation of Benefits**

- Beginning January 1, 2021, you may be entitled to up to
  - 12 weeks of paid family leave in a benefit year for the birth, adoption, or foster care placement of a child, or because of a qualifying exigency arising out of the fact that a family member is on active duty or has been notified of an impending call to active duty in the Armed Forces;
  - 20 weeks of paid medical leave in a benefit year if they have a serious health condition that incapacitates them from work
  - 26 weeks of paid family leave in a benefit year to care for a family member who is a covered service member undergoing medical treatment or otherwise addressing consequences of a serious health condition relating to the family member's military service.
- Beginning July 1, 2021, you may be entitled to up to
  - 12 weeks of paid family leave in a benefit year to care for a family member with a serious health condition.
  - o 26 total weeks, in the aggregate, of paid family and medical leave in a single benefit year.
- Your weekly benefit amount will be based on the employee's earnings, with a maximum benefit of \$850 per week.

# Contributions to the Department of Family and Medical Leave's Employment Security Trust Fund

On October 1, 2019, contributions to the Department of Family and Medical Leave (DFML)'s Family and Employment Security Trust Fund will begin. The **covered business entity** is required to send contributions to the DFML for all 1099-MISC self-employed individuals in its workforce if those self-employed individuals make up more than 50 percent of its workforce. The contribution rate may be adjusted annually and can be found in the attached effective rate notice.

#### How to File a Claim

Covered individuals must file claims for paid family and medical income replacement with the DFML using the Department's forms. Forms and claim instructions will be available on the Department's website www.mass.gov/DFML before January 2021, when benefits first become available.

1099-MISC contractors are required to provide at least 30 days' notice to the covered business entity of the anticipated starting date of any leave, the anticipated length of the leave and the expected date of return. A 1099-MISC contractor who is unable to provide 30 days' notice due to circumstances beyond his or her control is required to provide notice as soon as practicable.

## **Private Plan Exemption**

A covered business entity that offers paid leave with benefits that are at least as generous as those provided under the law may apply for an exemption from paying the Department of Family and Medical Leave Family and Employment Security Trust Fund contribution. A covered business entity may apply for an exemption from the medical leave contribution, family leave contribution, or both.

The details of any private plan must be provided to 1099-MISC contractors by covered business entity at the same time as this Notice.

	☐ Does not have an approved private plan;
	☐ Has an approved private plan for both family and medical leave;
(Employer Name)	☐ Has an approved private plan for family leave only;
	☐ Has an approved private plan for medical leave only.

## **Department of Family and Medical Leave Contact Information**

The Massachusetts Department of Family and Medical Leave

Charles F. Hurley Building 19 Staniford Street, 1<sup>st</sup> Floor Boston, MA 02114 (617) 626-6565 www.mass.gov/DFML

#### More Information is Available

For more detailed information, please visit the Department's website: www.mass.gov/DFML.

## **ACKNOWLEDGMENT**

Date

Tour signature below acknowledges your receipt of the information above at the time your
contract was made or prior to October 1, 2019, whichever is later.

Name (Print)

Signature

Your signed acknowledgement will be retained by the covered business entity. Please retain a copy for your own reference.

**Effective Rates: 2019** 

For employers with fewer than 25 employees

Family Leave	Medical Leave	Total Contribution
Contribution	Contribution	Amount
.13%	.248%	.378%

On October 1, 2019, contributions to the Department of Family and Medical Leave (DFML) Employment Security Trust Fund will begin. An employer will be responsible for sending contributions to the DFML for all employees.

Currently, the total contribution amount is 00.75% of wages. Of that 00.75% total contribution amount, there is a split: 17.3% is a family leave contribution and 82.7% is a medical leave contribution.

For small employers (with fewer than 25 **covered workers**) the effective family and medical leave contribution is 00.378% of earnings. Small employers are responsible for remitting the funds withheld from their employees' paycheck but do not need to contribute to either the family or medical leave. If they elect to pay all or some of the covered individuals' share, they may do so, but are under no obligation to contribute.

/e	Total Required Contribution: .248%			
Medical Leave		will contribute	%	of the medical leave contribution
edic	(Organization Name)			
Σ		and the remaining	%	will be deducted from your earnings

Ф	Total Required Contribution: .13%			
Family Leav		will contribute	%	of the family leave contribution
Far	(Organization Name)			
		and the remaining	%	will be deducted from your earnings