

MMA Alert: December 5, 2019

Massachusetts Developments Regarding Paid Family Medical Leave and Fringe Parking and Transportation Benefits

Reminder Employer HIRD Form is Due on December 15th

1. Massachusetts Paid Family Medical Leave Act (MPFMLA)

a. December 20th Exemption Deadline Approaches

As a reminder, clients who are interested in obtaining a self-funded or fully-insured exemption to the MPFMLA program must obtain approval on or before December 20th to excuse the remittance of contributions that were collected in the fourth quarter of 2019 to the state. If an employer does not obtain approval on an exemption prior to December 20, it will have to remit fourth quarter contributions to the state in late January 2020. An exemption approval obtained after December 20 will only excuse prospective contributions.

b. Department of Revenue Announces Guidance for Reporting of Employee Contributions for W-2 and 1099-MISC

Businesses will report contributions in Box 14 (Other) for Form W-2 and Box 16 (State tax withheld) for Form 1099-MISC. The contribution line for both should read "MAPFML." The Department of Revenue has posted a screenshot with further clarification on where to insert information on the W-2 and 1099-MISC. Video tutorials and an extensive list of FAQs are also available on the Department of Revenue's web site.

See link to announcement/guidance: [DOR News - November 2019](#).

c. Proposed Regulation Regarding the Administration and Collection of Employee/Employer MPFMLA Contributions

The Massachusetts Department of Revenue has announced *a proposed regulation* which, if enacted, would require that MPFMLA contributions be considered taxes for purposes of M.G.L. c. 62C and 830 CMR 175M.8.1. (There is a hearing to discuss the proposed regulation on December 12).

The following proposed language explains the rights and obligations of employers, covered business entities, and participating self-employed individuals with respect to their PFML returns.

(a) **Returns and Payments.** The Department of Family Medical Leave (DFML) requires employers, covered business entities, and participating self-employed individuals to file a PFML return through MassTaxConnect when remitting contributions

to the Department. 458 CMR 2.04(2). Employers, covered business entities, and participating self-employed individuals must file a PFML return and remit PFML contributions through MassTaxConnect on or before the last day of the month following the close of the previous calendar quarter.

(b) **Self-Assessment.** The filing of a PFML return shall be considered a self-assessment of tax pursuant to M.G.L. c. 62C, § 26(a), with any PFML contribution deemed to be self-assessed at the amount shown as due on the return or at the amount properly due, whichever is less, and at the time when the PFML return is filed or required to be filed, whichever occurs later.

(c) **Deficiency Assessment.** If the Commissioner determines that the full amount of the PFML contribution due from an employer, covered business entity, or participating self-employed individual has not been assessed or deemed to be assessed, the Commissioner may assess the full amount of the PFML contribution pursuant to M.G.L. c. 62C, § 26(b) and M.G.L. c. 175M, § 8(g).

A link to the complete announcement is here:

<https://www.mass.gov/regulations/830-CMR-175m81-administration-and-collection-of-paid-family-and-medical-leave>

2. 2020 Parking and Transportation Benefits

The Massachusetts Department of Revenue has announced the Massachusetts personal income tax exclusion limits for employer-provided parking, transit pass and commuter highway vehicle benefits allowed to employees for taxable years beginning in 2020. Those amounts are \$270 per month for employer-provided parking and \$140 per month for combined transit pass and commuter highway vehicle transportation benefits. A link to the announcement is here: <https://www.mass.gov/technical-information-release/tir-19-16-massachusetts-exclusion-amounts-for-employer-provided>

3. HIRD Form Reminder: December 15th Deadline

As follow up to an earlier announcement sent to you, the upcoming HIRD filing deadline is December 15th. Every employer in Massachusetts with six or more employees must submit an annual HIRD form. If you are an employer who currently has (or had) six or more employees in Massachusetts in any month during the past 12 months preceding the due date of this form (December 15th of the reporting year), you are required to complete the HIRD form.

An individual is considered to be your employee if he/she was included in your quarterly wage report to the Department of Unemployment Assistance (DUA) during the past 12 months. A link to our earlier HIRD form announcement is here: [2019 Massachusetts HIRD Form Filing Deadline Approaches](#)