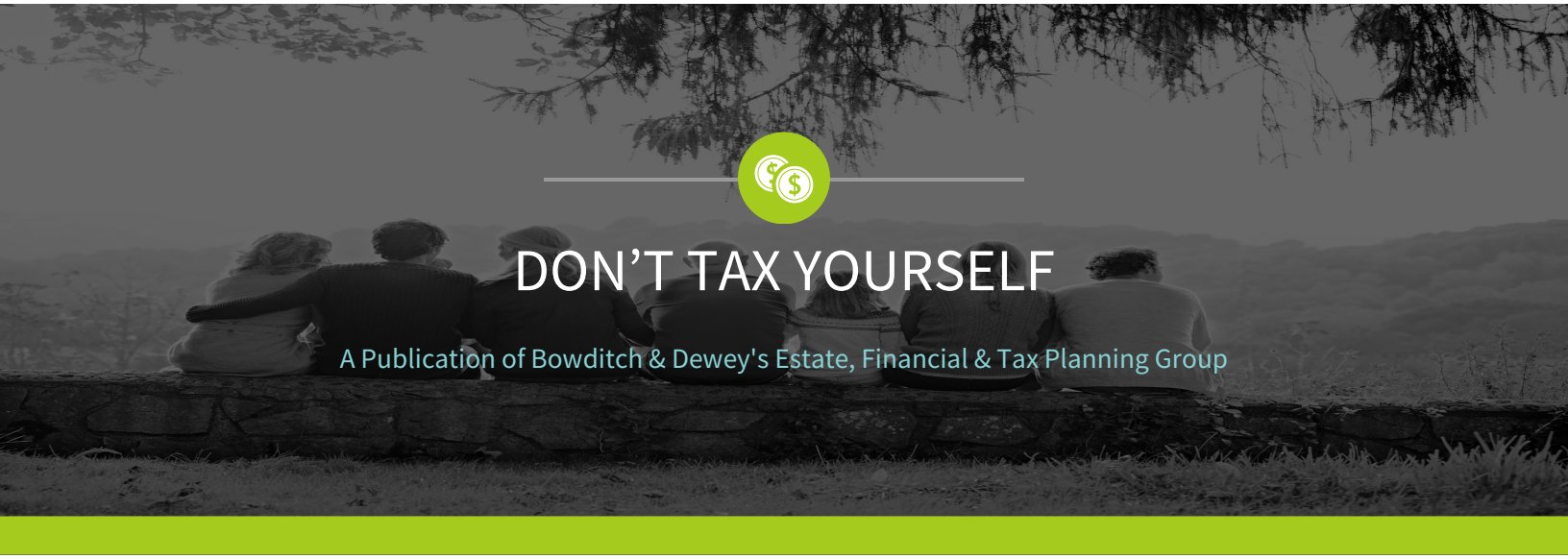

New Payroll Tax Hits Massachusetts Workers

BY SCOTT C. CASHMAN • OCTOBER 3, 2019

Beginning October 1, 2019, all Massachusetts workers will see a reduction in their take-home pay as the Massachusetts Paid Family Leave Act Tax took effect. The family leave law was passed in 2018 as part of compromise legislation that also increased the minimum wage 36 percent, from $11 per hour to $15 per hour over a five-year period.

Though the benefits of the family leave law will not be available to employees until January 2021, the taxes to fund the program took effect on October 1, 2019. The taxes will be paid by both employees and their employers, with a cap on employee contribution of 38 cents per $100 of compensation up to $132,900 (the wage limit in 2019).

Though fairly straightforward on its face, the law can be complex in its application.

The state has published an employer's guide to assist employers in collecting the tax and implementing paid family leave. Regulations have also been issued.

In addition, all employers are required to hang a poster notifying their employees of both the tax and the benefits of paid family leave.

©2025 Bowditch & Dewey LLP. All Rights Reserved.