

## Notice to 1099-MISC Contractors

### *Covered Entities with 25 or more Workers*

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

_____
(Employer Name)
_____
(Employer Street Address)
_____
(Employer City, State, Zip)
_____
(Federal Employer ID Number) (FEIN)

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:**

- Is** 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.
  - 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](http://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.

<hr/> (Employer Name)	<input type="checkbox"/> Does not have an approved private plan;
	<input type="checkbox"/> Has an approved private plan for both family and medical leave;
	<input type="checkbox"/> Has an approved private plan for family leave only;
	<input type="checkbox"/> 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](http://www.mass.gov/DFML)

### More Information is Available

For more detailed information, please visit the Department's website: [www.mass.gov/DFML](http://www.mass.gov/DFML).

**ACKNOWLEDGMENT**

Your 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.

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**Signature**

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**Date**

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**Name (Print)**

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 25 or more covered individuals*

<b>Family Leave Contribution</b>	<b>Medical Leave Contribution</b>	<b>Total Contribution Amount</b>
<b>.13%</b>	<b>.62%</b>	<b>.75%</b>

On October 1, 2019, contributions to the Department of Family and Medical Leave (DFML) Employment Security Trust Fund will begin. A covered business entity 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.

Under the law, covered business entities are responsible for a minimum of 60% of the medical leave contribution (.372% of wages), but are permitted to deduct from payments to contractors up to 40% of the medical leave contribution (.248% of wages) and up to 100% of the family leave contribution (.13% of wages).

<b>Medical Leave</b>				
Total Required Contribution: .62%				
<b>Medical Leave</b>	_____	will contribute	___%	of the medical leave contribution
	(Organization Name)	and the remaining	___%	will be deducted from your earnings

<b>Family Leave</b>				
Total Required Contribution: .13%				
<b>Family Leave</b>	_____	will contribute	___%	of the family leave contribution
	(Organization Name)	and the remaining	___%	will be deducted from your earnings

Initial \_\_\_\_\_