



Commonwealth of Massachusetts

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UNEMPLOYMENT INSURANCE AND PAID FAMILY AND MEDICAL LEAVE

Effective: July 1, 2004

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Executive Summary

As an employer, the Commonwealth is required to report and pay Massachusetts tax for Unemployment Insurance and Paid Family and Medical Leave. These taxes/contributions are employer paid, however a portion of the medical leave contribution may be paid by employees.

Applicability

This policy applies to all Commonwealth branches and departments.

Policy

The Office of the Comptroller (CTR) prepares a quarterly Unemployment Insurance (UI) report and pays UI and Paid Family and Medical Leave (PFML) premiums to the Executive Office of Labor and Workforce Development on behalf of Commonwealth departments and their employees, including those employees living and working outside of Massachusetts.

Commonwealth employees working outside of Massachusetts may file Unemployment claims in their home state and the claim will be reconciled by their filing state to the Commonwealth's Department of Workforce Development.

Unemployment Insurance (UI)

Unemployment Insurance (UI) coverage for Commonwealth employees is governed by M.G.L. c. 151A, § 14C. The Director of the Commonwealth's Department of Workforce Development, in conjunction with the U.S. Department of Labor, may establish a UI rate and provide guidelines to employers.

All employees, both state and contract, are included in the UI pool. Unless otherwise specified in general or special laws, all wages paid, up to the defined limit, to an employee for services rendered from January 1 to December 31 of any tax year are subject to unemployment taxes.

Paid Family and Medical Leave (PFML)

The Commonwealth is required to participate in the Paid Family and Medical Leave program, which is administered by the Department of Family and Medical Leave (DFML). The Commonwealth must provide notice of the program benefits and the required employer/employee contributions for the PFML program to employees. Unless otherwise specified in general or special laws, all wages paid, up to defined limit, to an employee for services rendered from January 1 to December 31 of any tax year are subject to PFML.

The following wages are excluded from both UI and PFML contributions:

- Wages paid to elected officials
- Wages paid to judges of the Commonwealth
- Wages paid to clients receiving rehabilitative services at state facilities
- Wages paid to the National Guard
- Wages paid to students who work and attend classes in the same school
- Wages paid to student nurses in the employ of a hospital or school
- Wages paid to interns and research assistants (e.g. judicial clerkships, medical residencies)
- Wages paid to service agricultural laborers
- Wages paid to workers in a private, local college club or local chapter of a college fraternity or sorority
- Wages paid to independent contractors

At the end of each quarter, CTR will provide UI Contributions to the UI Administration Division at the Department of Workforce Development and PFML contributions to the Department of PFML.

Department Responsibility

For UI, PFML, and EMAC contributions, departments are responsible for ensuring that employees are properly classified in the payroll system. For UI, the employee is either “Exempt” or “Subject”; for PFML, the employee is either “Exempt”; “Department Funded” (100% employer share); or “Subject” (approximately 50% employee and 50% employer share).

Chargebacks

To fulfill its obligation to pay UI and PFML premiums on behalf of Commonwealth employees, CTR processes a periodic chargeback for each state department. UI and PFML is charged monthly to departments at the employer payroll chargeback rate. (Please See Fiscal Year Memo for current rate.)

Internal Controls

[See Best Practices For Payroll.](#)

Information Sources

Related Procedure – HR/CMS Job Aid: Maintain Tax Data

- Legal Authority
 - 801 CMR 6.00
 - Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
 - Massachusetts General Laws, Chapter 151A, Section 14C
 - Massachusetts General Laws, Chapter 149, Section 189A
 - Massachusetts General Laws, Chapter 175M
- Attachments - None
- Links - None
- Contacts – [CTR Solution Desk](#)
- [Comptroller Website](#)

Revisions

- **October 17, 2008** – Changed title. Added provision for non MA claims – Changed chargeback methodology language.

- **November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/ctr portal site.
- **October 22, 2019** – Removed references to Universal Health (repealed) and added provisions regarding PFML