

CONSIDERATIONS FOR PRIVATIZING MA PAID FAMILY AND MEDICAL LEAVE



Massachusetts state's Paid Family and Medical Leave (MA PFML) program began on **JANUARY 1, 2021** and some employers may now be considering switching from the state-run plan to a private plan option.

As a leader in Paid Family and Medical Leave, Statutory Disability and Absence Management, The Hartford has the experience to work with employers considering a private plan and recommend that employers carefully consider the following factors when deciding between the state and private plan.

CHOOSING A PRIVATE PLAN - EMPLOYER REQUIREMENTS	CHOOSING THE STATE PLAN - EMPLOYER REQUIREMENTS
Employers can opt out of the state plan by: • Applying for a Private Plan Exemption from the state plan on MassTaxConnect.com. • Offering the same or more generous Paid Leave benefits than the state plan. • Provide benefits that cost employees no more than the state plan. • Being underwritten to a price based on the specific demographics of the company. • Offering the same protection and rights of the state plan required by MA PFML law. If an employer's private plan is state approved, the employer is exempt from remitting PFML contributions to the state from the approval effective date and going forward for 12 months while the plan remains in effect. Private plans are renewed with the state annually.	Employers who prefer to use the state plan: • Will always be subject to the plan's statutory pricing. • Will not be required to contribute to the cost of coverage if they employ fewer than 25 employees. • Must submit contributions to the state Trust Fund on a quarterly basis through MassTaxConnect.com. 

FULLY INSURED PRIVATE PLAN CONSIDERATIONS:

A fully insured plan gives employers the opportunity to leverage the expertise of a private carrier for a streamlined, integrated approach to administration and claims. Employers can consider these potential advantages of a fully insured option:

- Administrative ease for both the employer and employee.
- Leverage expertise in compliance and statutory coverage.
- End-to-end claim experience for Leaves that includes return-to-work support for employees.
- Seamless integration with STD and LTD.

SELF-INSURED PRIVATE PLAN CONSIDERATIONS:

For other employers, the solution for their benefit program is to self-insure. There are a variety of factors for employers to consider when thinking about self-insuring, including:

- The ability to be more flexible with the benefits that they provide their employees.
- Depending on the size of the group, the cost of claims and administration may cost less than paying a monthly premium on every covered employee.
- Partnering with a knowledgeable, experienced claim administrator, such as The Hartford, may offer a superior claimant experience.
- Self-insured plans must be bonded, insuring the financial viability of the program.

See a [full list of all the requirements](#) included in private plans at [Mass.gov](#).

PROCESS FOR FILING AN EXEMPTION FROM THE STATE PLAN

When filing an exemption, employers must:

- Review the [Massachusetts private plan guidelines](#).
- For self-insured private plans, file a plan document. The Hartford will review an employer's existing plan documents to assist the employer in determining if the plan meets the MA PFML standards. If drafting is requested, The Hartford's MA PFML Self-Insured template will be used.
- Send your application to the state electronically through the [MassTaxConnect](#) portal.
- Log in to [MassTaxConnect](#) to review the decision.

If the Exemption is Approved: The state will provide a provisional approval, followed by a final approval e-message on MassTaxConnect.

If the Exemption is Denied: The state will provide a provisional denial, followed by a denial e-message on MassTaxConnect, containing the reasons why the exemption was denied. Employers should request a follow-up review if there is a good-faith belief that their private plan does meet the statutory requirements. If it does not meet the requirements, applicants can refile a new private plan application the following quarter.

After 2020, Private Plan Exemptions are renewed on MassTaxConnect.com 12 months from their approval or anniversary date.

PARTNERING WITH THE HARTFORD

The Hartford is a market leader for Statutory Disability and Leave Management, providing statutory coverage since 1950. We can help:



Simplify administration for employers and employees.



Enhance the employee experience with compassionate support and additional resources.



Design compliant policies and provide educational resources for employers and employees.

For more information about The Hartford's MA PFML private plan offerings, call your representative from The Hartford or visit [TheHartford.com/MAPFMLConsiderations](#)



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