Engage PEO Client Alert:

Connecticut Paid Family and Medical Leave

After January 1, 2021, Connecticut employees are subject to an additional mandatory withholding to fund the new expansion of the Connecticut Paid Family and Medical Leave Act (PFMLA). Taxes will begin to be withheld at one half of one percent (0.5%), and the deduction will be applied to each employee's wages up to the Social Security contribution base ($142,800 in 2021).

The Connecticut Family Leave Law was expanded to provide paid leave to all Connecticut employees who have worked for their employer for at least 12 weeks beginning on January 1, 2022. Unlike the federal Family Medical Leave Act, **the Connecticut law does not have a minimum hours requirement**. **Employers may apply for an exemption from the PFMLA if they offer the same benefits to all employees through a private plan**. Although employers can apply for an exemption, individual employees are not permitted to opt-out.

Benefits under the PFMLA are expected to begin on January 1, 2022 and will be on a sliding scale with a cap not to exceed 60 times the minimum wage. Lower wage employees will receive benefits of up to 95% of their regular weekly pay.

Under the PFMLA, employees will be able to take up to 12 weeks of paid leave (14 if leave also includes incapacitation due to pregnancy) in a 12-month period. The leave is to care for the employee themselves, family members (spouse, parents, in-laws, children, siblings, grandparents, and grandchildren) and anyone else whose "close association," whether by blood or affinity, is the equivalent of a family member.

Engage will handle the filing and payment of these taxes on your behalf, as a Third-Party Administrator. We will pre-register your company with the state, assigning the payroll or human resource contact on file as the client administrator. Administrators will receive an email from the state indicating they have been invited to register on behalf of their company. **Clients will need to complete the online registration process, after which they can refine their account setup and add additional account administrators.**

- **Engage has drafted a template memorandum (**accessed **here) for your use to inform your employees of the new deduction**.

If you have any questions, please contact your Engage HR Consultant.