

INSIGHTS + NEWS

Client Alert: Department of Family and Medical Leave Extends Two Deadlines

MAY 7, 2019

On May 1, 2019, the Department of Family and Medical Leave (DFML) announced that due to feedback from the public and key stakeholders, it is amending the following deadlines as it relates to employers' obligations under the Paid Family and Medical Leave (PFML) law:

1. **Private Plan Exemption Deadline Extended to September 20, 2019** – For an employer to receive the private plan exemption, the DFML originally required that the DFML approve the exemption in the quarter prior to the quarter in which the exemption would go into effect. Therefore, for the initial quarter (July to September 2019), employers had to receive private plan approval before June 30, 2019. The DFML has extended this deadline, and employers are now permitted to file for a private plan exemption for the first quarter until September 20, 2019. Please note that all employers are still required to begin contributions on July 1, 2019. Should an employer submit a private plan exemption application after July 1 that is later denied, the employer will be responsible for remitting the full contribution amount from July 1, 2019 forward.
2. **Employer Notice Deadline Extended to June 30, 2019** – The DFML extended the deadline for employers to provide notice to employees of the PFML law's provisions from May 31, 2019 to June 30, 2019.

PFML Contributions Tax Treatment

In addition to extending the two deadlines, the DFML addressed the status of tax treatment of contribution amounts. While still awaiting guidance from the IRS, the DFML anticipates that the IRS will conclude that employee contributions should be withheld from after-tax wages.

Additional Time to Provide Feedback on the Draft Regulations

Lastly, the DFML is still accepting comments on the draft regulations, and planning to hold additional listening sessions in May, which will be announced shortly.