

Locke Lord QuickStudy: New Legislation Delivers Relief to Massachusetts Employers and Proposes Emergency COVID-19 Paid Sick Leave Program?

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Yesterday Governor Charlie Baker signed into law a bill that provides tax relief to Massachusetts employers.

The new legislation freezes employer contributions to the unemployment system for 2021 and 2022 and it also provides tax breaks to businesses who received certain funding from the CARES Act. Indeed, it allows businesses to deduct forgiven Paycheck Protection loan amounts when calculating their Massachusetts gross income for tax purposes.

In an effort to help the state repay interest on federal loans taken to cover deficits in the unemployment system, the law imposes a tax on employers. The amount of the tax corresponds to employers' unemployment insurance account reserve percentages and is in addition to employers' current contributions to the state's unemployment program.

The bill presented to Governor Baker also included provisions for the establishment of a paid leave program for employees who need to miss work for reasons related to COVID-19. Governor Baker returned those sections to the Legislature with the following amendments:

- Require that employees who take COVID-19 paid sick leave receive at least their regular rate of pay, but not more than \$850, or two-thirds of the paid family leave rate.
- Eliminate the employer reimbursement provisions and create a tax credit for certain employers. This suggested provision would entitle employers, who are ineligible for federal tax credits, to receive \$40 per employee, even if the employee does not take leave.
- Set September 30, 2021 as the COVID-19 emergency sick leave program termination date.

The COVID-19 emergency sick leave provisions passed by the Legislature and forwarded to Governor Baker, now to be determined, required employers to provide paid sick leave to employees who need to:

- Get tested or receive treatment for COVID-19 symptoms
- Quarantine due to a positive COVID-19 diagnosis
- Receive a COVID-19 vaccine or recover from a vaccine related illness
- Care for a family member who is quarantining due to a positive COVID-19 diagnosis
- Care for a family member who is being treated for COVID-19 symptoms

- Be absent from work because the employee is unable to work remotely due to COVID-19 symptoms
- Be absent from work to comply with a quarantine order or other determination that the employee should stay home from work due to exposure to COVID-19
- Care for a family member who is under a quarantine order or other directive to stay at home due to COVID-19 exposure.

The amount of leave an employer was to provide depended on the number of hours an employee worked on average. An employee who worked full-time (40 or more hours per week) could take up to forty hours of COVID-19 paid sick leave. An employee who worked part-time (less than 40 hours per week) would be entitled to paid leave equal to the average number of hours the employee worked per week over a two-week period. Finally, employees who worked an irregular schedule would have been entitled to leave equal to the average hours per week the employee worked in the six months prior to taking leave or, if the employee did not work during the entire six months prior to taking leave, in an amount equal to the average number of hours the employee reasonably expected to work per week when he/she was hired.

We will provide updates to this QuickStudy as the Legislature considers Governor Baker's amendments and returns the bill to his desk.

Visit our [COVID-19 Resource Center](#) often for up-to-date information to help you stay informed of the legal issues related to COVID-19.

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