



5 considerations for Massachusetts Employers At The Start of 2021

As an unpredictable 2020 comes to a close, CIP is looking ahead to what Human Resources challenges 2021 may offer. Not surprisingly, the coronavirus pandemic and its shadow loom large over the HR landscape for the coming year.

Massachusetts Paid Family Medical Leave

Although Massachusetts employees and employers have been paying into the PFML fund for the last 15 months, the benefits kick in beginning January 1. The complicating factor here, though, is the continuing pandemic and the expiration of the Families First Coronavirus Response Act (FFCRA) expansion of paid sick leave and family leave on December 31.

As of this writing, there is no replacement for the federal sick leave legislation, so it's entirely reasonable to predict an immediate utilization and stress to the MA PFML infrastructure. While private plans will provide greater processing efficiency, the state plan processes are untested and will likely see claim processing delays.

The job protection aspects of the MA PFML will also require substantial employer attention be paid to employee handbook policies around paid time off (PTO) policies, progressive discipline and performance management, manager training.

Massachusetts Unemployment Costs

The Massachusetts unemployment trust fund ended 2019 with a \$1.74-Billion surplus with an expected deficit of \$2.5-Billion by the end of this month: a swing of just under \$5-Billion related to the COVID pandemic. Additionally, any money the state has borrowed from the Federal government to bolster the trust, will begin earning interest in January.

All of this means that beginning in April, 2021, required Massachusetts employer contributions are set to increase nearly 60% and then continue growing at a smaller rate through 2024. On average, this means \$319 more per qualifying employee. Deficits are expected to continue for the next four years.

Mental Health

According to one study published in August, more than 50% of adults in the United States reported that their mental health has been negatively impacted due to worry and stress over the coronavirus; significantly higher than the 32% reported in March.

The downstream effects of this increase in mental health disruption has been increases in substance abuse disorders, depression, and other mental health effects. Given these negative effects, productivity declines can be expected.

The potential benefits of supporting employee mental health include: Increased productivity: Research shows that nearly 86 percent of employees treated for depression report improved work performance, and in some studies, treatment of depression has been shown to reduce absenteeism and presenteeism by 40 to 60 percent.

Vacation/PTO Policies

As the public health emergency continues, states have implemented travel restrictions which include significant periods of quarantine. As a result of the pandemic, increasing numbers of employers have reported employee use of PTO has declined, leaving their PTO balances high.

For the duration of these travel bans, employers would be well advised to review their PTO approval process to include discussion around the effect of employee absences from travel-related quarantining: can this person work remotely, what would the production effects be for this person to be out for an additional period of time, determining whether or not the employer will require that employee to take a COVID test post-return.

Additionally, with the advent of the MA PFML, employers should also consider how their PTO policies will need to be updated to coordinate with a PFML benefit.

Mandatory Vaccination Policies

Given the likelihood of a COVID vaccine on the near horizon, employers may be considering mandatory vaccination policies. Generally speaking, mandatory programs are permissible, as long as employers consider religious accommodation requests under Title VII of the Civil Rights Act of 1964 (Title VII) and medical accommodation requests under the Americans with Disabilities Act (ADA).

Employers should consider the implications of a mandatory vaccine policy to their workplace: Considering other alternatives, such as remote work, physical distancing, facial coverings, and other CDC-recommended steps to prevent the spread of COVID-19 may prevent an onslaught of accommodation requests.

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