

H. 89 – An Act financing a program for improvements to the Unemployment Insurance Trust Fund and providing relief to employers and workers in the Commonwealth

- **PPP Loan Forgiveness (Section 3).** Excludes the forgiveness of federal Paycheck Protection Program loans from Massachusetts personal income tax for taxable year 2020.
- **Unemployment Compensation Tax Credit (Section 4, 24).** Creates a tax credit for unemployment compensation received by taxpayers whose household income was 200% or less than the federal poverty level. Tax year 2020 total tax credit is \$30M and tax year 2021 the total tax credit is \$20M. DUA, in conjunction with DOR, must establish a public information campaign to notify taxpayers of the tax credit.
- **Employer Excise to Repay Interest on Federal Advances (Sections 5, 6).** Requires employers, from Jan 1, 2021-Dec 31, 2022, to pay an excise on wages paid to employees in order to pay off interest the Commonwealth owes to the federal government for advances to the state's unemployment trust fund. The Commissioner of DOR may adjust the excise rate only after 60 days' notice to the Legislature.
- **Extended Benefits (Sections 7 to 9).** Amends the state "off" indicator for unemployment compensation extended benefits for weeks of unemployment commencing on or after March 18, 2020.
- **Waiver of Tax Penalty (Section 10).** For tax year 2020, no tax penalty shall be imposed for failure to remit income taxes on unemployment compensation.
- **Rate Freeze (Section 11).** Freezes the employer experience rate at schedule "E" for calendar years 21-22.
- **COVID-19 Emergency Paid Sick Leave (Section 13 to 17, 22, 26).** Creates COVID-19 emergency paid sick leave which may be taken by an employee who needs to: (i) self-isolate due to a COVID-19 diagnosis; seek diagnosis or treatment; obtain a COVID-19 vaccine or recover from receiving a vaccine; (ii) care for a family member who is self-isolating, needs medical diagnosis or treatment due to COVID-19; (iii) quarantine due to a quarantine order; (iv) is caring for a family member subject to a quarantine order; or (v) who cannot telework due to COVID-19 symptoms.
 - Employees are entitled to: (i) 40 hours if they work 40 hours or more per week; (ii) the number of hours worked on average over a 14 day period if they work regular schedules but work less than 40 hours per week; (iii) either: (a) the average number of hours they were scheduled to work per week over the past 6 month period; or, (b) if the employee did not work over the past 6 month period, up to the reasonable expectation of the average weekly hours at the time of hiring, for employees with schedules that vary each week.
 - Employers with 500 or more employees may be reimbursed for COVID-19 emergency paid sick leave provided to employees by submitting an application to ANF.
 - COVID-19 emergency paid sick leave is available until monies in the Fund (\$75M from federal funds, or, if federal funds are not available, from the General Fund): (i) are no longer available; (ii) ANF notifies employers that it anticipates funds will no longer be available for reimbursement; or September 30, 2021, whichever is first.
 - An employee may use COVID-19 emergency paid sick leave on an intermittent basis, in hourly increments, and before using any other type of leave provided by the employer.
 - LWD must (i) provide employers with a multi-lingual notice of this act within 7 days of its effective date, and employers must provide the notice to employees; (ii) develop a multi-lingual outreach program to inform employees and others about the availability of COVID-19 emergency paid sick leave
 - Requires the Department of Family and Medical Leave to analyze the expansion of the family and medical leave program, with a report due December 31, 2022.
- **Unemployment Obligations and Assessment (Section 12, 18, 19, 20, 21, 23).** The Director of DUA may pursue federal advances for timely payment of unemployment benefits.
 - Authorizes up to \$7B in special obligation bonds to reduce the amount of or avoid the need for federal advances, repay federal advances or interest, pay administrative costs, or to refund outstanding bonds.
 - The bonds, if issued, will be secured by an unemployment obligation assessment paid by employers in any year in which bonds are issued or outstanding. The Commissioner of DUA will set the rate annually, with notice to the Legislature including the formula used to set the rate.