



Massachusetts Employers Should Prepare for 2026 Paid Family and Medical Leave Updates

Insights

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As Massachusetts employers look ahead to 2026, the Department of Family and Medical Leave (DFML) has released its annual updates to the Paid Family and Medical Leave (PFML) program. While the maximum weekly benefit will increase, the contribution rate remains steady. Here's a breakdown of the key changes that take effect on January 1, plus three action items for employers.

Maximum Weekly Benefit Increase

Starting January 1, the maximum weekly PFML benefit employees may receive will be \$1,230.39 per week, reflecting the state's annual adjustment to keep pace with the statewide average weekly wage. This represents a modest increase from the \$1,170.64 cap in 2025.

For employees, this means greater wage replacement during covered leave periods. For employers with private PFML plans, this means ensuring plan benefits remain "equal to or greater than" the state program to maintain approval.

Steady Contribution Rate

Also effective January 1, the contribution rate on eligible employee wages will remain 0.88%. This is the third consecutive year the rate has held steady after previous annual increases. This provides predictability for employers when budgeting payroll costs and for employees in understanding paycheck deductions.

While the total rate is unchanged, the split between employer and employee contributions still depends on employer size:

- Employers with 25 or more covered individuals:
 - Total contribution: 0.88% of eligible wage
 - Family leave contribution: 0.18% of eligible wages
 - Up to 100% can be withheld from employees' wages
 - Medical leave contribution: 0.70% of eligible wages
 - Up to 40% can be withheld from employees' wages

- Employers are responsible for at least 60% of the medical leave contribution
- Employers with fewer than 25 covered individuals:
 - Total contribution: 0.46% of eligible wages
 - Family leave contribution: 0.18% of eligible wages
 - Up to 100% can be withheld from employees' wages
 - Medical leave contribution: 0.28% of eligible wages
 - Up to 100% can be withheld from employees' wages
 - Small employers are not required to pay the employer share of the medical leave contribution

Background and Recent Developments

Over the past few years since the PFML Act was passed, Massachusetts has introduced a series of updates to the program:

- **2023:** The state adopted an employee-friendly change by allowing individuals to “top off” PFML benefits with accrued paid time off (PTO). This gave employees the option to receive their full wage replacement by layering PFML with vacation pay, sick time, or other accrued paid leave. Employers are required to allow this practice but cannot mandate it.
- **2024:** The contribution rate rose to 0.88%, and the maximum weekly benefit was set at \$1,149.90.
- **2025:** The rate remained stable, while the benefit cap increased to \$1,170.64. This signaled a shift toward program stability after the first few years of rate adjustments.
- **2026:** The program continues this trend of stability, with only the maximum weekly benefit amount changing, while the rate stays at 0.88%.

Year	Contribution Rate (< 25 employees)	Contribution Rate (25+ employees)	Maximum Weekly Benefit
2023	0.318%	0.63%	\$1,129.82
2024	0.46%	0.88%	\$1,149.90
2025	0.46%	0.88%	\$1,170.64
2026	0.46%	0.88%	\$1,230.39

For more in-depth information on the historical changes, see our past insights [here](#) and [here](#).

Action Items for Employers

To prepare for the changes on January 1, employers should consider taking the following three steps:

1. Confirm private plan compliance (if applicable) against the higher maximum weekly benefit.
2. Communicate with employees about the 2026 rates and maximum benefit.
3. Review internal leave policies to ensure alignment with topping-off requirements.

Conclusion

We will continue to monitor further developments and provide updates on this and other labor and employment issues affecting Massachusetts employers, so make sure you are subscribed to [Fisher Phillips' Insights](#) to gather the most up-to-date information. If you have questions, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [Boston office](#).

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