

Massachusetts's new Paid Family and Medical Leave law

Effective January 1, 2021



Agenda

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Background

- Walmart offers a variety of options to associates who need time away from work.
- Sedgwick, our administrator for leave of absence, disability, and ADA, works directly with associates who request a leave or an accommodation.
- Payroll withholdings for the new state benefit began October 1, 2019. The Massachusetts Paid Family and Medical Leave (MA PFML) benefit is funded by both the employer and employee contributions.
- Walmart, with the help of Sedgwick, is coordinating current Walmart benefits with the benefits the state will be offering.

Leave of Absence 101

What's Leave of Absence?

Leave of absence (LOA) is when an associate takes time away from work for a specific reason. An LOA must be requested and approved, and it can be paid or unpaid based on the reason for the leave and the benefits offered. Associates on leave may have job protection through federal or state laws.

When it comes to the leave of absence process, managers and HR representatives play a big role in making sure everything runs smoothly. If an associate is requesting leave, it's usually during a challenging time in their life. Your most important contribution is to provide guidance and support to your associate throughout the process.

Types of leave

Family and medical leave

Eligible associates can take leave due to:

- The birth and care of a child within 12 months of birth
- The adoption or foster placement and care of a child within 12 months of placement
- Caring for a family member with a serious health condition
- Their own serious health condition

Military leave

Associates in the military can take leave due to:

- Active duty
- Training
- Full-time National Guard duty
- Examinations to determine fitness for duty
- Funeral honors duty
- Homeland security duty
- Attending a military service academy
- Any other military duty or training under orders from appropriate federal or state authorities

Types of leave

Personal leave

Associates who don't qualify for a federal or state leave law can still request leave for a variety of reasons:

- Medical, Family Care, or Extended Family Member care not covered by federal or state laws because benefits or eligibility have been used up
- Workers' Compensation
- Expatriate Spouse
- Military Spouse/Partner
- Reassignment due to ADA
- Pharmacy Intern
- Bereavement
- Transfer
- Education
- Compelling Reason

What's the Massachusetts Paid Family and Medical Leave (PFML) Law?

- MA PFML is a **PAID** leave managed by the State. It provides time away for bonding, managing family affairs when a family member is or has been called to active duty in the armed forces, caring for your own serious health condition, and caring for a family member.
 - Bonding: 12 weeks per year
 - Caring for a family member who is a current member of the Armed Forces (including National Guard and Reserves): 26 weeks per year
 - Manage any needs that take place immediately after a family member is deployed in a foreign country or has been notified of an upcoming deployment in a foreign country: 12 weeks per year
 - Caring for your own serious health condition: 20 weeks per year
- Most benefits start **January 1, 2021**.
- Starting **July 1, 2021**, Paid Family Leave benefits to care for a family member with a serious health condition will be available, allowing up to 12 weeks of paid leave per year.
- The total maximum leave combined can be up to **26 weeks** per rolling 52 weeks.

What's the Massachusetts Paid Family and Medical Leave (PFML) Law?

- The benefit amount associates are eligible to receive for PFML is based on their average weekly wage when they apply and the average weekly wage for workers throughout Massachusetts.
- The weekly benefit for PFML may be **up to 80%** of the associate's gross wages. There's a weekly cap at \$850. Sedgwick will coordinate pay based on what the state pays.
This helps ensure that the associate gets the same benefit amount they would under the Walmart benefits.
- Each October, the state will reevaluate the average weekly wage for Massachusetts and make any adjustments starting January 1 of the next year
- MA PFML is job-protected, with the one exception that if coworkers with similar experience and status were laid off during an associate's leave due to economic conditions or other changes, then the associate doesn't have to be returned to the same job or to an equivalent.
- MA PFML is funded by contributions made by employers and associates.
- MA PFML is available to all W-2 workers who work in Massachusetts, whether full-time, part-time, or seasonal, and associates must have earned at least \$5100 during the last 4 completed calendar quarters

Details for MA PFML

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|----------------------------------|--|
| Eligibility | <p>All MA W-2 employees (Part-time, Full-time, seasonal)</p> <ul style="list-style-type: none"> Earnings requirement of \$5100 during the last 4 completed calendar quarters |
| Entitlement | <p>Starting January 1, 2021</p> <ul style="list-style-type: none"> Medical leave-up to 20 weeks: Care for your own serious illness or injury Bonding leave-up to 12 weeks: Caring for and bonding with a child after the birth or placement of a child younger than 18 Care for a Family Service Member-up to 26 weeks: Caring for a family member in the service Qualifying Military Exigency-up to 12 weeks: Support family matters when a family member is called to active duty <p>Starting July 1, 2021</p> <ul style="list-style-type: none"> Family care leave-up to 12 weeks: Care for a qualified family member with a serious health condition or injury |
| Qualifying family members | <p>An associate's qualifying family member can be a:</p> <ul style="list-style-type: none"> Child (biological, adopted, foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status) Parent (biological, adoptive, de facto, foster parent, stepparent, or legal guardian of an employee or the employee's spouse, or an individual who stood in loco parentis to an employee when the employee was a child) Spouse (husband, wife, or state-registered domestic partner) of an associate Sibling (biological, half-, step-, adopted, foster, or sibling-in-law of the eligible associate) Grandparent (the associate's parent's parent) Grandchild |
| Usage | <p>Leave can be taken continuously or intermittently. For intermittent leave: the minimum claim duration is 15 minutes.</p> |

Reminder:

- ✓ If an associate has multiple events in a year, the associate is only eligible to receive up to 26 weeks of leave per rolling 52 weeks.
- ✓ Hourly full-time associates who have 12 months of service before the first date of leave are eligible for additional compensation from Walmart, if applicable:
- ✓ They must continue to pay their share of the premiums to continue their health insurance.

Associate impact and payment

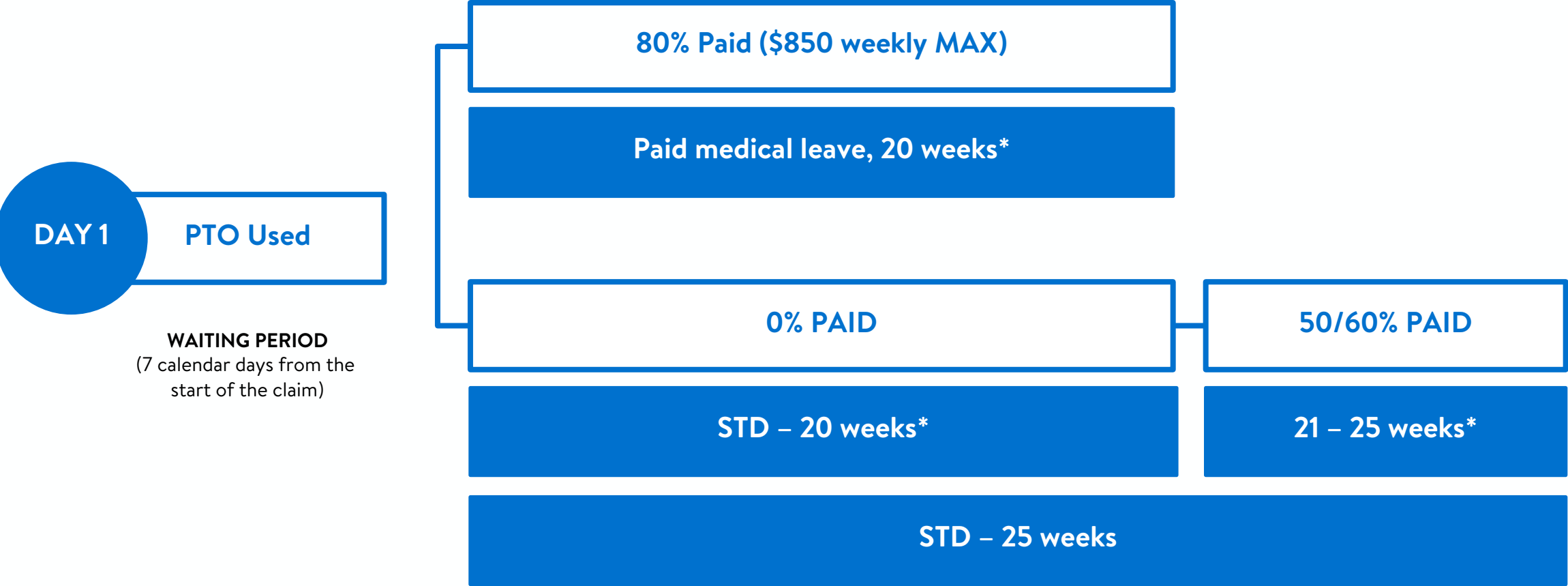
- Part-time and temporary associates who have a qualifying event can now take paid leave.
- Full-time hourly, salaried, and driver associates keep their same benefits, but may receive two payments—one from Walmart and one from the state.
- For full-time associates in Massachusetts, short-term enhanced disability rates will decrease starting 1/1/2021.
- Associates must file for family or medical leave within **90 days** of the qualifying event to get the paid leave benefit. The state will accept claims 30 days prior to the leave begin date. Parental Leave can be taken within the 52-weeks of becoming a new parent.
- However, the associate must still contact Sedgwick after missing three days of work.

How pay works with MA PFML

- Waiting Period: associates must meet a seven-calendar day waiting period before receiving paid leave benefits from the state.
 - Those are the initial seven days at the start of each claim.
 - The initial seven day waiting period will count against the total available period of leave in a benefit year
 - There's a waiting period for every qualifying event taken, with the exception of when an associate goes out on maternity disability and then follows with a bonding leave.
 - PTO can be used during the waiting period.
- Eligible associates can get partial wage replacement through MA PFML. Pay for short-term disability and other Walmart paid benefits will still be available for associates to use along with their MA PFML, not to exceed 100% of their earnings.
- Because the Walmart benefits will be reduced by the amount of the MA benefits, associates need to make sure they can cover their benefit premiums with their paycheck or through payments to People Services.
- Sedgwick will begin reducing the company benefit by the estimated amount of the MA benefits from the beginning of the leave, regardless of whether the associate applies with the state. Therefore, it's important that the associate applies for benefit as soon as possible, so they receive their full benefit amount.

What's the new pay process?

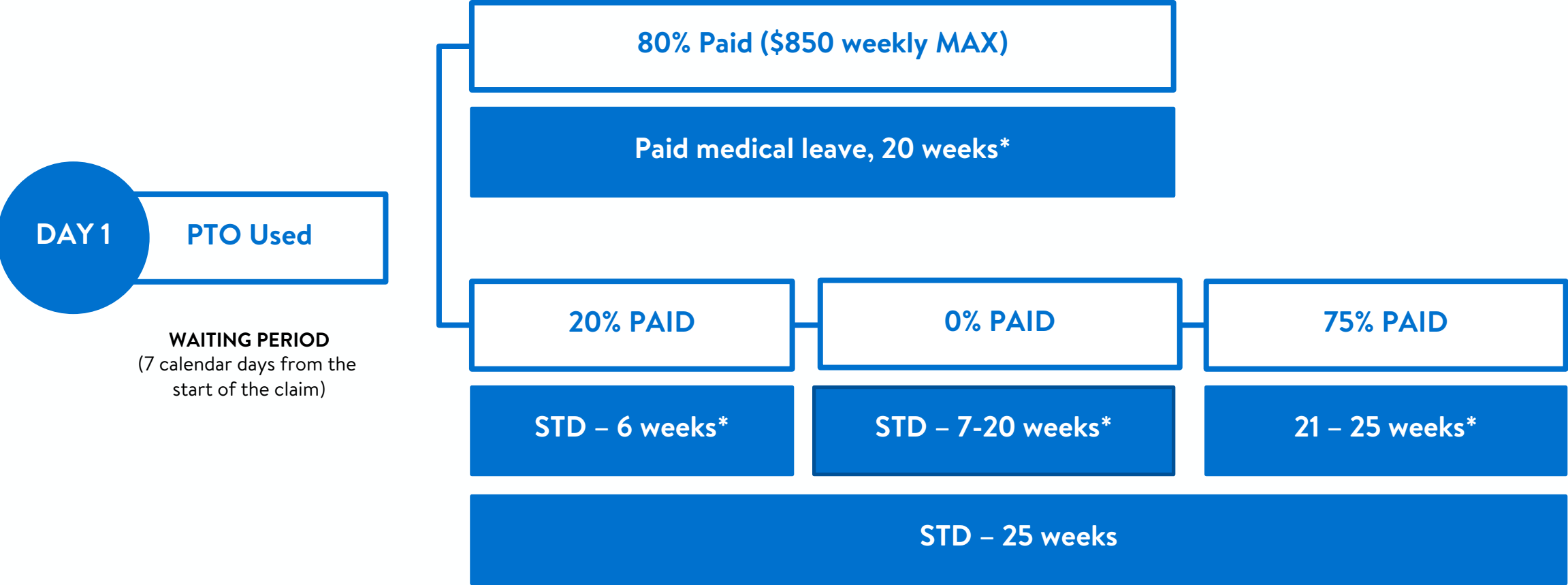
MA Full Time Hourly STD example



* Time could vary depending if multiple events occur in a year.

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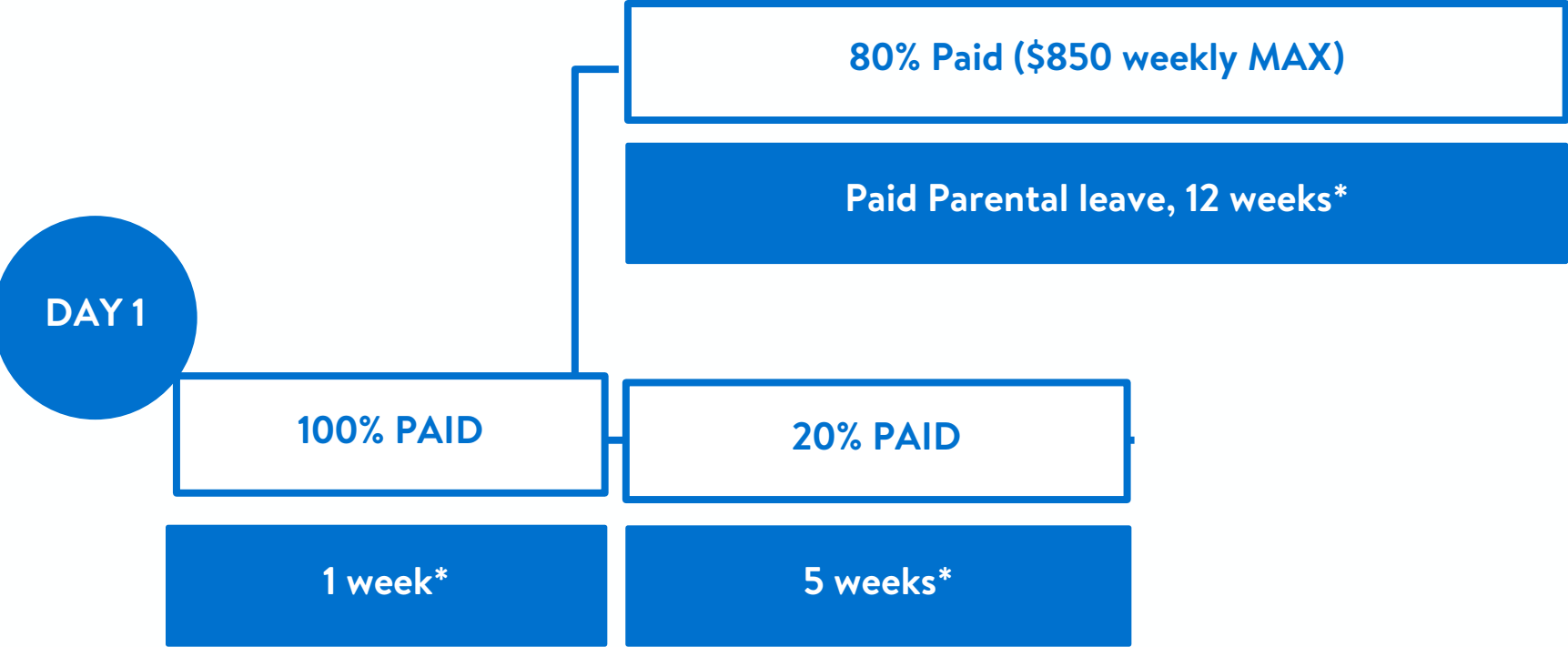
MA Salary STD example



* Time could vary depending if multiple events occur in a year.

What's the new pay process?

MA Full Time Hourly and Salary Paid Parental example



* Time could vary depending if multiple events occur in a year.

How to take leave with MA PFML

- Step one: contact Sedgwick
 - As with all leaves, talking to Sedgwick is the first step. If the absence is planned, notify Sedgwick 30 days before the leave. If it's unplanned, notify Sedgwick within three days of the first absence.
 - Sedgwick may require supporting documentation.
 - Sedgwick will pay the associate their Walmart benefits at a reduced rate, coordinating with the state benefits. They'll be estimating what the state pays until the associate provides the award letter they receive from the state.
 - Sedgwick will continue to communicate with the associate and the facility about the leave.
 - Sedgwick will help with the associate's return to work, including any requests for accommodation.

How to take leave with MA PFML (contd.)

- Step two: contact the state
 - Associates can file a claim for paid leave benefits with the Department of Family and Medical Leave (DFML) via the online portal (mass.gov/paid-family-and-medical-leave-benefits) or by calling their service center at 833-344-7365
 - The state will require associates to submit supporting documentation and proof of ID either online or by mail.
 - Based on the type of leave the associate is applying for, the state will require specific documents in order to confirm the need for leave. The information needed for the types of leave can be found on the portal.
 - When filing, the associate will be asked for the FEIN to process the claim. The state uses this information to notify Walmart about the associate's application and status of the leave. Please make sure your associate has the correct information for Walmart when they apply for MA PFML. FEIN: 710794409
 - The state will also ask the associate if they informed their employer of their plans to take leave.
 - The state will notify Walmart of leave dates and leave type for the PFML benefit. The state will notify the associate of the benefit amount they're eligible for.
 - If approved, the state will pay the associate via direct deposit on a weekly basis.

Intermittent Absences

MA PFML will pay the state benefit for intermittent absences in 15-minute increments

- The time missed will be rounded down, so if the associate misses 29-minutes, the state will view that as a 15-minutes.

If the associate elects PTO for any intermittent absence, then the state will NOT pay for that intermittent absence.

- Therefore, it will be important for the associate to know that if they receive payment from the state and PTO, then the state will recoup what was paid under PFML
- For Salaried associates that use PFML for an intermittent absence, it may require you to deduct pay for the time they missed from work.
- Please refer to the Deducting Pay for Salaried Absences When No PTO Is Available section in the Paid Time Off- Salaried Associate Management Guidelines.
https://one.walmart.com/content/uswire/en_us/work1/policies/people-policies/pto-policies/salaried-pto-management-guidelines.html

What do you need to do?

- Visit the Leave of Absence playbook at One.Walmart.com/LeadershipGuide for general information about leaves. You'll also find the MA PFML Talking Points for more details.
- Be aware that eligible associates who have a leave that started before January 1, 2021 with a continuation after January 1, 2021, may be eligible to receive benefits under this new program, including intermittent leaves.
 - Sedgwick will be sending out notices to those associates who are out prior to January 1, 2021 that will remain out beyond that date advising them to apply for the state benefit.
- Hang the PFML Workplace Poster about Paid Family and Medical Leave in a place that's accessible for all associates.
- Provide written notice to your associates about Paid Family and Medical Leave within 30 days of being hired.
- Visit mass.gov/guides/employers-guide-to-paid-family-and-medical-leave for additional information
- There will be additional reminders in December and more details when the second implementation launches on July 1, 2021.

Delegate Access and Auto-Forwarding

Below are instructions for the two workarounds that will allow People Leads to resume Manager's Dashboard Access and receive recurring communications from Sedgwick.

Please take the following actions:

1. mySedgwick Manager Dashboard Access:

- Delegate Access- Club/Store Managers can provide you with delegate access on mySedgwick allowing you the ability to view your associates' leave information
- Walmart Job aid: [Delegate Access in My Sedgwick](#)

2. Reports/Notifications:

- Auto-Forward- Club/Store Managers can set up auto-forwarding rules for weekly leave status reporting and/or email notifications
- Walmart Job aid: [Automatic Forward of LOA Emails](#)

Thank you.

