

# AMERICAN PAYROLL ASSOCIATION

May 14, 2021

Rosalin Acosta  
Secretary of Labor and Workforce Development  
Executive Office of Labor and Workforce Development  
One Ashburton Place, Suite 2112  
Boston, MA 02108  
racosta@mass.gov

Richard Jeffers  
Director, Department of Unemployment Assistance  
Executive Office of Labor and Workforce Development  
One Ashburton Place, Suite 2112  
Boston, MA 02108  
richard.jeffers@detma.org

Re: Massachusetts H.B. 90, as amended, on financing of the Unemployment Insurance Trust Fund

Dear Secretary Acosta and Director Jeffers:

The American Payroll Association (APA)<sup>1</sup> appreciates the opportunity to comment on implementing Massachusetts H.B. 90, as amended, “An Act financing a program for improvements to the Unemployment Insurance Trust Fund and providing relief to employers and workers in the Commonwealth.” The collection of the excise on wages paid to employees by employers based on current contribution rates from January 1, 2021 until December 31, 2022 raises questions for payroll management, including the following:

**1. What is the process for the retroactive collection of the excise amounts for the first quarter of 2021?**

Retroactive implementation is more problematic for payroll departments to implement. In particular, employers already paid their unemployment insurance contributions for the first quarter, thus the process for contributing the excise amount may be through a separate payment or be added to the amounts for a future quarter. Guidance is needed on whether

---

<sup>1</sup> Established in 1982, APA is a not-for-profit association serving the interests of more than 20,000 payroll professionals nationwide. APA’s primary mission is to educate its members and the payroll industry about best practices associated with paying America’s workers while complying with applicable federal, state, and local laws and regulations. APA members are directly responsible for calculating wages and unemployment taxes for their employers.

employers should expect a notice from the Executive Office of Labor and Workforce Development (EOLWD) identifying the amount owed for the first quarter with instructions on making the payments.

**2. How should contributions of the excise amount be processed?**

Guidance is needed on whether the EOLWD will send a notice to employers with instructions on whether the amount owed should be added to the quarterly payments already assessed, whether separate payments are required, and how the excise payments should be reported.

**3. If the EOLWD assesses interest payments, how will employers be informed?**

The Massachusetts legislature left the determination on interest payments to the EOLWD. Detailed provisions require the EOLWD to report the assessment to the legislature but notice requirements to employers was not provided. Should interest payments be necessary, the APA urges the EOLWD to prospectively make this determination and give employers sufficient time to adjust their management systems accordingly.

**4. If the collection of excise payments exceed the amount needed, will the EOLWD recommend returning the funds to employers?**

The excise tax is intended to “reduce the amount of, or avoid the need to obtain, a federal advance ... or to repay federal advances made to the commonwealth from the federal unemployment account...” The amount of the unemployment insurance excise tax is significant. While the Massachusetts legislature and not the EOLWD is responsible for setting policy, the APA would appreciate a recommendation by the EOLWD, as appropriate.

The APA understands the need for emergency measures and requests sufficient time and information for payroll professionals to comply. The APA asks the EOLWD to add information on the EOLWD website regarding the excise rates, procedures, and instructions as soon as possible.

To reach APA, please contact me at 202-669-4001 or [ajacobsohn@americanpayroll.org](mailto:ajacobsohn@americanpayroll.org). Thank you.

Sincerely,



Alice P. Jacobsohn, Esq.  
Director, Government Relations

For Unemployment Insurance Workgroup Leaders:  
UI Chairs Brent Gow, CPP, and Rebecca Harshberger, CPP  
UI State Chairs Owhen Astorga, Mindy Mayo, CPP, and Marcela McCarthy, CPP