

# UPDATE TO THE PAID FAMILY LEAVE TAX RATE



The District of Columbia Paid Family Leave (PFL) tax rate is being reduced to 0.26 percent. The rate change is effective for the quarter beginning July 1, 2022 (July 1 – September 30, 2022).

The first PFL tax payment at the 0.26 percent rate is due October 31, 2022, for wages paid to covered employees between July 1 and September 30, 2022 (Q3).

The table below summarizes the PFL tax rate for calendar year 2022.

## PFL Tax Rate Table (2022)

Quarter	Tax Rate (%)	Tax Rate	Quarter Begin Date	Quarter End Date	Tax Due Date
Q1	0.62%	0.0062	1/1/2022	3/31/2022	4/30/2022
Q2	0.62%	0.0062	4/1/2022	6/30/2022	7/31/2022
Q3	0.26%	0.0026	7/1/2022	9/30/2022	10/31/2022
Q4	0.26%	0.0026	10/1/2022	12/31/2022	1/31/2023

PFL benefits will not be affected by this rate reduction.

## How Should Businesses Prepare

### Employers:

#### ESSP Instructions

Employers who utilize the Employer Self-Service Portal (ESSP) to file wage reports with the Office of Unemployment Compensation and the Office of Paid Family Leave do not need to take any action to prepare for the PFL tax rate change. The ESSP platform has been upgraded to accommodate the new 0.26 percent tax rate. Employers should continue to report wages through ESSP as usual. Please also note that DOES will publish the tax rate history and other helpful information on our website, [dcpaidfamilyleave.dc.gov](https://dcpaidfamilyleave.dc.gov).

# UPDATE TO THE PFL TAX RATE

## PFL-30 Instructions

While all employers are encouraged to use the Employer Self-Service Portal (ESSP), employers who have five (5) or fewer employees are permitted to report wages and pay the PFL tax using paper forms. To do so, start by submitting a wage report to the Office of Unemployment Compensation (OUC). Next, download the 'PFL-30' form, located at [dcpaidfamilyleave.dc.gov](https://dcpaidfamilyleave.dc.gov), to calculate your PFL tax liability. Instructions on how to submit the PFL tax payment can be found on the PFL-30. Employers do not need to mail the PFL-30 along with a check payment as wage information from OUC is shared with PFL. The PFL-30 is solely for use by employers to correctly calculate their tax liability. Finally, please note that the tax rate applied to wages paid to covered employees in Q3/2022 is 0.26 percent (due 10/31/2022). Employers can retrieve tax rate information for future filing dates from our website.

## Third Party Administrators (TPAs):

### ESSP Instructions

Third Party Administrators (TPA) who utilize the Employer Self-Service Portal (ESSP) to file a wage report with the Office of Unemployment Compensation and the Office of Paid Family Leave do not need to take any action to prepare for the PFL tax rate change. The ESSP platform has been upgraded to accommodate the new 0.26 percent tax rate. TPAs should continue to report wages through ESSP as usual.

- TPAs may submit wage reports utilizing the ESSP platform's manual wage entry feature, or
- TPAs may upload a wage file on behalf of businesses whom they represent.

Both wage filing methods will result in an automatic tax liability calculation at the new 0.26 percent rate applied to wages paid to covered employees beginning in Q3/2022 (due 10/31/2022).

## Self-Employed Individuals (SEIs):

### ESSP Instructions

Self-Employed Individuals who have opted into the PFL program may continue to report gross self-employment income through the Employer Self-Service Portal (ESSP). The ESSP platform will automatically calculate tax liability at the new 0.26 percent rate.

### PFL-30S Instructions

Self-Employed Individuals who report gross self-employment income and remit PFL tax payment using a printable form may continue to do so. Visit [dcpaidfamilyleave.dc.gov](https://dcpaidfamilyleave.dc.gov) to obtain a copy of the PFL-30S. Use that form to submit quarterly gross income reports and to remit the PFL tax payment. SEIs should mail the PFL-30S to DOES. The DOES address is included on the form. Separately, mail your tax payment (check or money order) to our payment lockbox. The lockbox address is also on the PFL-30S form. The tax rate applied to gross self-employment income earned in Q3/2022 (due 10/31/2022) is 0.26 percent. Self-employed individuals can retrieve tax rate information for future filing dates from our website.



# UPDATE TO THE PFL TAX RATE

## Qualified Annual Reporting (usually, Domestic Household Employers):

Qualified employers who report wages to the Office of Unemployment Compensation (OUC) on an annualized basis are permitted to pay the Paid Family Leave tax on an annualized basis as well. The next wage report is due to OUC on April 15, 2023. Tax payment for OUC and PFL is also due on April 15, 2023. Please note that when filing on an annualized basis, PFL taxes are assessed on a quarterly pro rata basis. This means that the tax rate for each quarter of 2022 is relevant to calculating your annualized tax payment amount. The PFL tax for Q1/2022 and Q2/2022 is 0.62 percent of gross wages. For Q3/2022 and Q4/2022 the PFL tax rate is 0.26 percent.

## ESSP Instructions

Wage reports submitted through the Employer Self-Service Portal (ESSP) will be applied at the appropriate tax rate for the quarter. Your yearly tax liability will be calculated automatically, without any special action on your part. Continue to file wage reports as you normally would using the ESSP system.

## PFL-30 Instructions

Qualified annual filers who do not utilize ESSP can make a PFL tax payment using the PFL-30H. To do so, start by submitting a wage report to the Office of Unemployment Compensation (OUC), prior to April 15th, 2023. After submitting a wage report to OUC, download the "PFL-30H" form, located at [dcpaidfamilyleave.dc.gov](https://dcpaidfamilyleave.dc.gov). This form is used to calculate PFL tax liability. Instructions on where to submit your PFL payment can be found on the PFL-30. Do not mail the PFL-30 along with your check payment as wage information from OUC is shared with PFL. The table below lists the PFL tax rate for each quarter of 2022. Use this table in conjunction with the PFL-30 to calculate your PFL tax payment for 2022.

## PFL Annual Tax Rate Table (2022)

Quarter	Tax Rate (%)	Tax Rate	Quarter Begin Date	Quarter End Date	Tax Due Date
Q1	0.62%	0.0062	1/1/2022	3/31/2022	4/30/2022
Q2	0.62%	0.0062	4/1/2022	6/30/2022	7/31/2022
Q3	0.26%	0.0026	7/1/2022	9/30/2022	10/31/2022
Q4	0.26%	0.0026	10/1/2022	12/31/2022	1/31/2023

Note: The due date for OUC and OPFL wage reporting and tax payment is April 15th, 2023.