

New Employer Medical Assistance Contribution (EMAC) Supplement (effective January 1, 2018)

The new Employer Medical Assistance Contribution (EMAC) Supplement, which employers will pay to support the MassHealth program, took effect on January 1, 2018.

Employers must now pay a five-percent tax on any wages earned, up to \$15,000 annually, for each non-disabled employee who is enrolled in MassHealth (Medicaid) or subsidized insurance offered through the Massachusetts Health Connector. The Supplement applies to employers that have six or more employees in any quarter.

According to final regulations from the state Department of Unemployment Assistance (DUA):

- + Payments are due for each quarter that one or more of the employer's non-disabled employees receives health insurance coverage through MassHealth or the Connector for a continuous period of at least 56 days in that quarter.
- + The Supplement does not apply to employees who earn less than \$500 in a quarter.
- + All non-profits and government entities that are subject to the unemployment insurance laws are also subject to the Supplement. However, cities, towns, regional school districts and educational collaboratives are exempt from the Supplement.
- + The Supplement must be paid on or before the last day of the first month succeeding the quarter in which wages are paid (e.g. Q1 Supplement is due by April 30.)
- + The Supplement ends on December 31, 2019.

Governor Baker signed legislation in August 2017 to create the EMAC Supplement and decrease Massachusetts unemployment contribution rates for two years.