

Alert | Labor & Employment



July 2018

Massachusetts to Phase-In Minimum Wage Hike, Eliminate Sunday Premium Pay, and Provide Paid Family and Medical Leave

On June 28, 2018, Massachusetts Governor Baker signed into law “An Act Relative to Minimum Wage, Paid Family Medical Leave, and the Sales Tax Holiday.” The new law will gradually increase the minimum wage over the next five years; phase-out premium Sunday pay for retail employees; and create a paid family and medical leave program for Massachusetts employees.

Minimum Wage Increase

The Act increases the minimum wage for regular wage employees and tipped minimum wage employees. The initial increase in minimum wage will take effect on Jan. 1, 2019. Regular minimum wage employees currently earning \$11.00 per hour will see a gradual increase to \$15.00 per hour by 2023. On Jan. 1, 2019, the minimum wage for regular employees will increase from \$11.00 to \$12.00 per hour. In the ensuing four years, the minimum wage will increase by \$.75 annually.

The minimum wage for tipped employees in Massachusetts is currently \$3.75 per hour. It will gradually increase to \$6.75 per hour by 2023. On Jan. 1, 2019, the minimum wage for tipped employees will increase from \$3.75 to \$4.35 per hour, then \$.60 per year thereafter for the next four years.

Elimination of Premium Pay on Sundays and Holidays

Currently, Massachusetts law provides that retail employees must be paid time and a half their regular rate for work on Sundays and certain holidays. The Act decreases the Sunday and holiday time-and-a-half premium pay requirement over the next five years until it is eliminated on Jan. 1, 2023. The first decrease will take place on Jan. 1, 2019, and will lower the premium rate to one and four-tenths the regular rate.

Paid Family and Medical Leave

Effective as of Jan. 1, 2021, eligible individuals employed by Massachusetts employers will be entitled to receive paid family and medical leave. This new benefit will be funded through payroll deductions. Specifically, starting on July 1, 2019, Massachusetts employers will be required to contribute an amount equal to 0.63 percent of each employee's wages to fund the paid leave program. Employers may require employees to pay a portion of the required contributions, and employers with fewer than 25 employees are exempt from paying any contributions. The amount of the paid benefit is based on a percentage of the employee's average weekly wage, with a maximum weekly benefit of \$850.

The amount of paid leave is as follows:

- Up to 12 weeks of paid family leave in a benefit year
- Up to 20 weeks of paid medical leave in a benefit year
- Up to 26 weeks of paid family leave in a benefit year to care for a covered servicemember
- 26 weeks maximum of paid family and medical leave per benefit year

Use of Family and Medical Leave

Medical leave will be available to any eligible employee who has a serious health condition. Family leave will be available to any eligible employee for the following purposes:

- To bond with the individual's child during the first 12 months after the child's birth or the first 12 months after the placement of the child for adoption
- A qualifying exigency arising out of the fact that a family member is on active duty or has been notified of an impending order to active duty
- To care for a family member who is a covered servicemember
- To care for a family member with a serious health condition

Leave under the Massachusetts family and medical leave program will run concurrently with any leave taken under the federal Family and Medical Leave Act (FMLA). It should be noted, however, that while the FMLA only covers employers who employ 50 or more employees, the Massachusetts program covers all employers regardless of size.

Authors

This GT Alert was prepared by **Terence P. McCourt**, **Jack Gearan**, and **Amanda L. Carney**. Questions about this information can be directed to:

- **Terence P. McCourt** | +1 617.310.6246 | mccourt@gtlaw.com
- **Jack S. Gearan** | +1 617.310.5225 | gearanj@gtlaw.com
- **Amanda L. Carney** | +1 617.310.5268 | carneya@gtlaw.com
- Or your **Greenberg Traurig** attorney

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