

Change to Calculation of Wages for Commission-Based Employees

Description

In an article which appears in this month's issue of *The Standard*, PS&H Attorneys Brian Reilly and Brian Fishman discuss developments in Massachusetts law that could impact insurance companies with commission-only employees.

In May 2019, the Massachusetts Supreme Judicial Court issued a decision interpreting the method for calculating overtime wages for Massachusetts commission-only employees. The article explains the details of the SJC decision, points out that employers who miscalculate overtime wages may open themselves to liability, and cites an example of the practical implications of the new interpretation, as evident in a February 2020 settlement.

The article highlights that Massachusetts Governor Charlie Baker proposed a bill to clarify Massachusetts law with respect to calculation of overtime wages but that the relevant language ultimately was not passed by the legislature, leaving continuing uncertainty for employers.

Finally, the article points out that it is imperative for insurance industry employers to review their compensation practices with respect to commission-only employees to ensure that those employees are being paid the correct amount of overtime wages.

The full issue of *The Standard* can be [viewed here](#). (Subscription required.)

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