
Updates to the Massachusetts Minimum Wage and PFML Coming in 2022

Description

Minimum Wage Increase

As set forth by legislation passed in 2018, the minimum wage in Massachusetts will increase to \$14.25 per hour on January 1, 2022. This amounts to a 75-cent jump from the current minimum wage of \$13.50 per hour and is the second to last scheduled increase under current law. The minimum wage will increase again on January 1, 2023 to \$15.00 per hour. As a reminder, employers must display this “Wage & Hour Laws” [poster](#) published by the Massachusetts Office of the Attorney General in a prominent location for all employees to see, which notifies employees of the minimum wage and summarizes other Massachusetts wage and hour laws.

Under Mass. Gen. Laws ch. 151 § 1, “any employer” that employs an individual in Massachusetts must pay that individual at least the minimum wage unless an exemption applies. Here are some of these exemptions:

- Workers being rehabilitated or trained under rehabilitation or training programs in charitable, educational or religious institutions;
- Seasonal camp counselors and counselor trainees;
- Members of religious orders;
- Outside sales workers who regularly sell a product or products away from their employer’s place of business and who do not make daily reports or visits to the office or plant of their employer;
- Agricultural and farm workers (they must be paid at least \$8.00 per hour though); and
- Tipped employees.

The exemption for tipped employees is a rather unique one and is worth discussing. Under Massachusetts law, employers are permitted to pay its tipped employees an hourly “service rate”, which is lower than the minimum wage, if the tipped employee’s average hourly amount received in tips plus the hourly service rate equals or exceeds the minimum wage for each shift. For this exemption to apply, tipped employees must regularly and customarily receive more than \$20 per month in tips and employers must provide tipped employees written notice of the Massachusetts law governing the tipped-employee exemption, which can be found in Mass. Gen. Laws ch. 151 § 7 paragraph 3. On January 1, 2022, the service rate will increase to \$6.15 per hour and is scheduled to jump again to \$6.75 per hour on January 1, 2023.

Changes to the PFML Contribution and Benefit Rates

As we previously [discussed](#), the Massachusetts Paid Family and Medical Leave law (“PFML”) entitles covered workers to job-protected paid family and medical leave for specified reasons. Unless an employer participates in an approved private plan, benefits under the PFML are paid for by contributions from employers to the Department of Family and Medical Leave Trust Fund, which are funded in whole or in part by deductions from workers’ wages. The following changes to the PFML’s rates of contribution and maximum weekly benefits will take effect January 1, 2022:

- Employers with 25 or more covered workers will be required to contribute .68% of wages to the Trust

Fund, which is a decrease from the current rate of .75% of wages. These employers will remain responsible for a minimum of 60% of the medical leave contribution (.336% of wages) but are still permitted to deduct from wages up to 40% of the medical leave contribution (.224% of wages) and up to 100% of the family leave contribution (.12% of wages).

- Employers with fewer than 25 covered workers will be required to contribute .344% of wages to the Trust Fund, which is a slight decrease from the current rate of .378% of wages. These employers are not required to make any additional contribution on behalf of covered workers and may choose to cover some portion of the workers' contribution amount.
- Maximum weekly benefits available to covered workers are increasing from \$850 to \$1,084.31.

As is the case with regard to the minimum wage requirement, employers must provide their workers with written notice of these changes to the PFML.

- The new 2022 PFML poster that employers must display in a conspicuous location can be found [here](#).
- The contribution rate change notice that employers with 25 or more covered workers must complete and provide can be found [here](#).
- The notice that employers with fewer than 25 covered workers must complete and provide can be found [here](#).

PFML notices all must be provided to covered workers by January 1, 2022 and they must be provided to new employees no more than 30 days from the beginning of the employee's employment. Employees must be given the opportunity to provide written acknowledgement of receipt of the notice, or sign a statement indicating the employee's refusal to sign such acknowledgement. The notices may be provided electronically and employees may return their signed acknowledgments electronically too.

The [Employment & Labor Practice Group](#) at Partridge Snow & Hahn is available to answer questions about the Massachusetts minimum wage requirements and the PFML.

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