

EMPLOYMENT LAW SUMMARY

Massachusetts Minimum Wage Laws



The federal minimum wage is governed by the Fair Labor Standards Act (FLSA). The current federal minimum wage rate is \$7.25 per hour for nonexempt employees. The Massachusetts Minimum Fair Wage Law (MFWL) complements federal law and, in some cases, prescribes more stringent or additional requirements that most employers in the state must follow.

The [Massachusetts Executive Office of Labor and Workforce Development](#) (LWD) enforces these minimum wage rate requirements throughout the state.

MINIMUM WAGE RATE

The Massachusetts minimum wage rate is set to increase annually until it reaches \$15 per hour.

Effective Date	Jan. 1, 2020	Jan. 1, 2021	Jan. 1, 2022	Jan. 1, 2023
State of Massachusetts	\$12.75	\$13.50	\$14.25	\$15
Tipped Employees	\$4.95	\$5.55	\$6.15	\$6.75

However, the law authorizes employers to pay lower rates under certain circumstances. These exceptions are summarized below.

Tipped Employees

The MFWL sets a separate minimum hourly wage for tipped employees. This rate is called the "service rate." Under the MFWL, tipped employees are individuals engaged in an occupation in which they customarily and regularly receive at least \$20 per month in tips. An employer may pay the service rate to a tipped employee only if:

- The employee has been informed that his or her wages are calculated by adding the service rate to earned tips;
- The sum of the service rate plus the average hourly amount the employee received in tips is at least as much as the state minimum wage rate; and
- The employee is allowed to retain all tips earned.

Employers that fail to meet all of these requirements must pay their employees at least the regular minimum wage rate. Likewise, if a tipped employee's tips and service rate yield a wage rate lower than the state's minimum wage rate for any reason, the employer must subsidize the employee's wages to the extent necessary to meet the minimum wage rate.

Agricultural Workers

Individuals employed in the growing and harvesting of agricultural, floricultural and horticultural commodities may receive an hourly wage of \$8 per hour. When calculating an agricultural worker's wages, employers may not include the costs of lodging and board. Exceptions apply when an employee is the employer's parent, child, spouse or other member of the employer's immediate family.

Students

Employers may obtain a [waiver](#) from the LWD that allows them to pay students as low as 80% of the current minimum wage rate. This type of waiver is available for student employees who work for:

- Nonprofit establishments;
- Hospitals or laboratories as part of a formal program; or
- Bona fide educational institutions in which they are enrolled.

Workers with Disabilities

Employers may obtain a [disability waiver](#) that allows them to pay less than the minimum wage rate to individuals whose earning capacity or productivity is impaired because of age, physical ability, mental deficiency or injury. To qualify for this type of waiver, an employer must first obtain a certificate from the U.S. Department of Labor that authorizes special minimum wage rates under the FLSA.

REQUIRED POSTINGS

Massachusetts law requires employers to display a copy of MFWL regulations in a conspicuous place in every room where their employees work. The LWD provides a [model poster](#) that employers may use to satisfy this requirement. The poster must be displayed in English and, if available from the LWD, in any other language that is spoken by at least five percent of an employer's workforce.

ENFORCEMENT

The LWD is authorized to investigate and ascertain employee wages in Massachusetts. Employers must cooperate with LWD officials in any investigation of employee wages.

Under the MFWL, each week an employer fails to pay an employee his or her full wages in full is considered a separate offense. If an employer is found liable for a violation, a court may order to employer to pay triple the amount of an affected employee's unpaid wages, plus reasonable attorney fees and court costs. These provisions apply when a lawsuit is brought against an employer within the first three years after a violation takes place.

MORE INFORMATION

Please contact Heffernan Insurance Brokers for more information on wage payment and work hour laws in Massachusetts.

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