

EMPLOYMENT LAW SUMMARY

Massachusetts: Wage Payment Requirements



Because You're Different

Several federal laws regulate wage payment requirements. These include the Fair Labor Standards Act (FLSA), the Davis-Bacon Act and the Service Contract Act. The Massachusetts Fair Wage Law (MFWL) complements these federal standards and, in some cases, imposes more stringent requirements that employers in the state must follow. The [Department of Labor Standards](#) (DOLS), which is part of the [Massachusetts Labor and Workforce Development](#) (LWD), enforces employer compliance with the MFWL throughout the state.

WAGE PAYMENT REQUIREMENTS

In general, employers must pay employee wages:

- At least every other week; and
- Within seven days after each pay period ends.

With each wage payment, employers must provide their employees with a statement (such as a pay slip, check stub or envelope) that shows the employer's name, the employee's name, the date, the number of hours worked, the rate used to calculate the employee's wages and a list of deductions and adjustments made for the pay period.

If an employer pays employee wages via check or draft, it must provide facilities where the employees may cash them free of charge.

EXCEPTIONS

Special provisions regulate wage payments for railroad workers, executives, administrative personnel, professional employees, agricultural workers and employees of manufacturing businesses with a workforce of at least 150 individuals.

In addition, certain hospitals may pay their employees less frequently than every other week as long as the employees provide their consent. This option is available for any hospital that:

- Operates as a public charity;
- Provides free patient treatment; or
- Receives support, in whole or in part, from the state or local government.

Similarly, shareholders of cooperative associations and public employees may choose to receive wages weekly, bi-weekly or at other intervals.

WITHHOLDINGS AND DEDUCTIONS

Massachusetts law generally prohibits employers from withholding funds or making deductions from an employee's wages unless authorized by law. However, employers may withhold any amount that an employee has authorized through a written request, as long as the request is not related to a wage assignment. Specifically, the MFWL authorizes employers to withhold the following from an employee's wages:

- Charitable corporation contributions;
- Credit Union deposits, share purchases and loan payments;
- Government bond payments;
- Insurance policy premiums;
- Labor or trade union dues and obligations;
- Medical service corporation subscriptions;
- Nonprofit hospital service subscriptions;
- Savings bank, trust company, national banking association or cooperative bank deposits; and
- Stock purchases (when purchase is related to an employee stock purchase plan).

Any time an employer withholds an employee's wages, the employer has a fiduciary obligation to remit the funds to the intended third party in a timely manner. For union obligations, such as dues, employers must submit withheld funds within the later of 14 days after deducting the funds or the time when the obligations are due.

LODGING AND MEAL DEDUCTIONS

When employers compensate their employees at the minimum wage rate, they are not allowed to make any deductions other than those required by law or those allowed for lodging and meals.

For lodging, employers may deduct the following from an employee's minimum wage:

- \$35 per week for a room occupied by one person;
- \$30 per week for a room occupied by two persons; and
- \$25 per week for a room occupied by three or more persons.

To qualify for lodging deductions, employers must provide their employees with adequate, decent and sanitary accommodations that include heat, potable water and light. In addition, deductions for lodging are permitted only when employees actually want to and do use the employer-provided lodging.

Employers may also deduct a maximum of **\$1.50 for breakfast**, **\$2.25 for lunch**, and **\$2.25 for dinner** from an employee's wages. These deductions may not exceed the actual cost of the meals to the employer.

To qualify for meal deductions, employers must secure employee consent and may only deduct:

- One meal from employees who work three or more hours;
- Two meals from employees who work eight or more hours; and
- Up to three meals if the employer:
 - Also provides lodging to employees; or
 - Has obtained special permission from the LWD.

WAGE ADJUSTMENTS FOR UNIFORMS

Massachusetts law requires employers to reimburse their employees for the actual cost of renting or purchasing any required work uniform. In addition, employers must reimburse their employees for the actual cost of maintaining the required uniforms in good repair if the uniforms require dry-cleaning, commercial laundering or other special treatment. However, employers are **not** required to reimburse their employees for required uniforms that:

- Are made of "wash and wear" materials;
- Do not require special treatment; and
- Are routinely washed and dried with other personal garments.

Employers may not require their employees to make any deposits towards their uniforms, unless authorized by the LWD.

ASSIGNMENT OF WAGES

An assignment of wages takes place when an individual authorizes another party to collect his or her future wages. Massachusetts law provides precise requirements to determine whether a wage assignment is valid. Employers involved in wage assignment situations should consult DOLS regulations to determine whether they are bound by these agreements.

FINAL WAGE PAYMENTS

Employees who leave their employment voluntarily must receive their full outstanding wages on the **regular payday that follows their last day of work**. In the absence of a regular payday, these employees must receive all outstanding wages by the Saturday following their last day of work.

Employers that discharge individuals from employment must pay those individuals their full outstanding wages **on the day of their discharge**. If a discharge is in Boston, the employer must pay all outstanding wages as soon as it can comply with all payroll, billing and accounting requirements.

Treble Damages

On April 4, 2022, the Massachusetts Supreme Judicial Court (the court) found in [Reuter vs. City of Methuen](#) that the Massachusetts Wage Act (MWA) requires employers to promptly pay employee wages, and that employers that pay late are subject to a penalty of up to three times the amount of unpaid wages.

When Reuter was discharged from her employment, the city of Methuen owed her almost \$9,000 in unused vacation time. The MWA requires employers to pay employees “in full on the day of [their] discharge” and prescribes that “wages” include unused vacation time. The city paid these wages a few weeks later, but the parties disagreed upon the appropriate penalty for the delay.

The city claimed the MWA allows for a penalty of treble (three times) the annual interest accrued on unpaid wages. Reuter argued state law required three times the amount of unpaid wages.

The court found that, under the MWA, treble damages were designed to protect workers from the consequences of unpaid wages. In addition, the court rejected the city’s practice to avoid liability by simply paying the wages and accrued interest on the unpaid wages at a later time.

This court decision holds employers liable if they do not promptly and fully pay employee wages upon termination, regardless of the reason for the delay. As shown in this case, the penalties for this strict liability can be significant—up to three times the amount of wages paid late.

Employers in Massachusetts should take note of this decision and prepare contingencies before terminating an employee if the exact amount of employee wages is not exactly known when a discharge becomes necessary.

MORE INFORMATION

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

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