

Compromise Legislation on 2018 Ballot Questions

June 20, 2018

Contents

On Wednesday 6/20, the legislature is expected to vote on legislation that was negotiated in order to remove three ballot questions – minimum wage, sales tax reduction, and paid family and medical leave. (Referred to as the “grand bargain”)

This document covers key details of each negotiated aspect of the legislation.

- Paid Family & Medical Leave (slides 3 – 6)
- Minimum wage (slide 6)
- Sales tax reduction (slide 7)
- Premium pay for retailers (slide 8)

Paid Family & Medical Leave

(1 of 3)

Issue	Ballot	Legislation
Employer Opt-Out	None. All employers required to enroll in state program.	Employers can opt-out of state program if they provide a wage benefit that is equal to or greater than the state benefit for the duration of leave. Employers may opt-out for personal medical and/or family leave
Small Business Protection	None	Employers with fewer than 25 employees not required to contribute to premium costs
Funding	Total premium split 50/50	Employers pay 60% of personal medical premiums, 0% of family premiums

Paid Family & Medical Leave

(2 of 3)

Issue	Ballot	Legislation
Duration – Personal Medical	26 weeks, job protected	20 weeks, job protected
Duration – Family Leave	16 weeks, job protected	12 weeks, job protected
Wage Replacement	90% of wages, with a \$1,000/week cap on benefits	80% of wages up to half of the state’s average weekly wage (\$670), then 50% of wages up to a \$850/week cap on gross benefits

Paid Family & Medical Leave

(3 of 3)

Issue	Ballot	Legislation
Self-Employed	Treated as regular employees, and contracting business contributes to premiums	Self-employed may opt-in and pay 100% of premium costs. If an employer has a workforce comprise of 50% of more Independent Contractors, treated as a regular employer
Effective Date	July 2019: contributions begin July 2020: all benefits begin	July 2019: contributions begin Jan. 2021: personal medical benefits begin July 2021: family benefits begin

Ballot Status: *Raise Up Massachusetts (RUM) to decide whether to remove question*

Minimum Wage

Issue	Current Law	Ballot	Legislation
Regular Wage	\$11/hr	\$15/hr Increased over 4 years (\$1 per year, 2019-2022)	\$15/hr Increased over 5 years (\$1 in 2019, \$0.75 for 2020-2023)
Tipped Wage	\$3.75/hr	\$9/hr Increased over 4 years (2019-2022) to reach 80% of the regular minimum wage	\$6.75/hr Increased over 5 years (\$0.60 per year, 2019-2023)
Indexing	N/A	Minimum wage increased every year based on change in CPI	No indexing

Ballot Status: *RUM to decide whether to remove question*

Sales Tax Reduction

Issue	Current Law	Ballot	Legislation
Sales Tax Rate	6.25%	5%, effective 30 days after election	6.25%
Sales Tax Holiday	No law; determined annually by the Legislature	2-day weekend required annually in August	2-day weekend required annually; Legislature must set date by 6/15, otherwise DOR sets by 7/1

Ballot Status: *Agreed to remove*

Premium Pay

Issue	Current Law	Ballot	Legislation
Sunday Premium Pay	Employees receive 1.5x pay for work performed on Sundays and holidays	N/A	Phases in premium pay repeal on Sundays and holidays over 5 years. 2019: 1.4x pay 2020: 1.3x pay 2021: 1.2x pay 2022: 1.1x pay 2023: No premium