



## ML Strategies Alert

APRIL 13, 2012

# Massachusetts Legislature to Consider Paid Sick Leave and Minimum Wage Hike Bills

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The Massachusetts Legislature's Joint Committee on Health Care Financing is considering An Act Establishing Earned Paid Sick Time ([H. 3995](#)), which would require companies with fewer than six employees to provide unpaid sick time, and all other employers to offer paid sick time. The bill is an amended version of the Paid Sick Days Act ([H. 1398 / S. 930](#)), and it was reported favorably by the Joint Committee on Labor and Workforce Development on March 19.

The proposal would require that workers be eligible for an hour of sick time for every 30 hours worked. The bill does not apply to seasonal workers. A worker in a business with more than 10 employees would be able to earn one hour of paid sick time for every 30 hours worked, up to 56 hours annually. A worker in a business with six to 10 employees would earn paid sick time at the same rate, up to 40 hours annually. A worker in a business with fewer than six employees would earn one hour of unpaid sick time for every 30 hours worked, up to 40 hours of unpaid time annually. Employers would be prohibited from disciplining workers for using earned sick time and they would also be barred from requiring workers who used paid sick time to take on additional shifts.

Variations of this legislation have been filed since 2004. Earlier versions of the bill would have required all companies to offer paid sick time, regardless of size or other benefits offered. The revised bill would allow businesses to meet the mandate as long as they provide an equal or greater number of hours of other forms of paid time off (i.e., vacation).

Advocates for businesses opposing the bill have ripped the proposal as a costly mandate that would take away the flexibility needed to design innovative benefit programs and would impose crippling productivity challenges on employers. Earlier in the month, William Vernon, President of the Massachusetts National Federation of Independent Business, argued that the revised version will hamper small businesses and cost thousands of jobs over the next several years. On March 27, Associated Industries of Massachusetts (AIM) sent a [letter](#) to members of the legislature's Joint Committee on Health Care and Financing expressing employer opposition to the proposal. "AIM believes that decisions regarding any benefit provided to employees should be left to the discretion of the individual employer based on economic circumstances, the size of the company, the nature of the employment relationship with each employee and the competitive environment," said Bradley MacDougall, the Vice President of Governmental Affairs.

The proposal's supporters, including workers, employers, nurses, and elected officials, participated in a rally organized by the Massachusetts Paid Leave Coalition at the Statehouse on March 27. Backers say that the mandate will let up to a million workers who currently don't have access to sick time be able to earn time off to care for themselves and their families. They argue that it will be good for businesses because it helps them improve preventative care, limit illnesses from spreading in the workplace, cap healthcare expenses, and foster loyalty. Governor Deval Patrick and other senior administration officials have voiced support for sick time legislation and the bill has over 50 co-sponsors in the House and Senate. We will keep you updated on its progress. The legislative session ends on July 31.

## An Act to Promote the Commonwealth's Economic Recovery with a Strong Minimum Wage

A bill that would raise the minimum wage in Massachusetts unanimously cleared a legislative committee this week, creating the possibility of a vote in the Senate on the first minimum wage hike in four years. In brief, the bill ([S. 951 / H. 2291](#)) seeks to increase the Massachusetts minimum wage in July 2012 to \$9.50 an hour, and again in July 2013 to \$10 an hour. The legislation also calls for tying future wage adjustments to the Consumer Price Index, a plan that was rejected the last time the Massachusetts minimum wage was increased in January 2008, when it rose to \$8 an hour.

The Joint Committee on Labor and Workforce Development released the bill on March 20 after members voted in an e-mail poll. Nine members, including the committee's co-chairs, Senator Daniel Wolf and Rep. Cheryl Coakley-Rivera, supported the bill along with Senators Michael Rodrigues (D-Westport) and Sal DiDomenico (D-Everett), and Representatives John Fresolo (D-Worcester), Denise Andrews (D-Orange), David Torrisi (D-North Andover), and James Arciero (D-Westford). Representative Lori Ehrlich, the committee's vice chair, and Representative Keiko Orrall (R-Lakeville) and Senator Barry Finegold (D-Andover) reserved their rights. Representatives Ryan Fattman (R-Sutton), Demetrius Atsalis (D-Barnstable), Linda Dean Campbell (D-Methuen), and John Rogers (D-Norwood), and Senators Robert Hedlund (R-Weymouth) and Michael Rush (D-Boston) did not vote.

The bill has strong support from the AFL-CIO, which identified the wage adjustment as one of its top priorities this legislative session. However, retailers and business groups warn that raising the minimum wage could cost jobs or derail a fragile economic recovery. Jon Hurst, President of the Retailers Association of Massachusetts, called a \$10 wage "too aggressive." He said that the timing is wrong and that "we need to be focusing on growing jobs and growing payroll, not encouraging employers to reduce payroll by hiring less people and reducing hours."

Senator Marc Pacheco, one of the bill's lead sponsors, said he was "pleased and encouraged" that the committee advanced the bill, but also said he would not be surprised if it took another year or more to build support for the increase. He said if the bill did come up for a vote, he would expect the implementation date of July 1, 2013 to be modified. We will keep you updated on its progress.

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1797-0412-NAT-MLS