

## e-Alert

09.07.21

# Massachusetts Phases Out Premium Pay for Retail Employees

## Background

In 2018, Governor Charlie Baker signed the [Grand Bargain Act](#) into effect. This Act was established to address the minimum wage, premium pay mandates, paid family medical leave, and tax holidays within the State of Massachusetts. In 2021, the Act was amended to include the remaining federal holidays as part of the phaseout for premium pay mandates.

## Summary

Retail employers in Massachusetts have been mandated to pay time and a half to their employees on Sundays and federal holidays. The Grand Bargain Act established a schedule to phase out this mandate as follows:

Effective Date:	Premium Pay:
January 1, 2019	1.4 times hourly rate
January 1, 2020	1.3 times hourly rate
January 1, 2021	1.2 times hourly rate
January 1, 2022	1.1 times hourly rate
January 1, 2023	1.0 times hourly rate

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This schedule originally impacted the following holidays:

- Sundays
- Memorial Day
- Labor Day
- Juneteenth Independence Day
- Independence Day

The 2021 amendment has added the following holidays to the schedule:

- New Year's Day
- Veterans Day
- Columbus Day

## Employer Next Steps

- Employer should review their current payroll rules to make sure they align with the amended phaseout schedule.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please [email us](#).

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