

 e-Alert

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e-Alert – Massachusetts Premium Pay for Sunday and Holiday Retail Work Scheduled to End in 2023

Background

In Massachusetts, pay on Sundays and holidays is governed by Massachusetts [“Blue Laws,”](#) which control the hours of operations for certain industries and require some businesses to pay employees extra for working during those times (also known as premium pay). In [June 2018](#), Governor Charlie Baker signed the “Grand Bargain” Bill, which incrementally decreased the amount businesses were required to pay employees for working on Sundays and legal holidays, with an eventual phase-out scheduled for Jan. 1, 2023.

Summary

Each decrease in premium pay was accompanied with a raise in minimum wage. At the beginning of each year since, the premium rate has been decreasing, going from 1.5 times the regular rate of pay **previously**, to 1.4 times the regular rate in 2019, 1.3 times the regular rate in 2020, 1.2 times the regular rate in 2021, and 1.1 times the regular rate in 2022.

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Key Takeaways

- The premium rate is [scheduled to end](#) at the start of 2023. This means an employer will no longer be required to pay a premium pay rate for hours worked on Sundays and some holidays for retail employees: New Year's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Indigenous People's Day (Columbus Day), and Veterans Day.
- As a reminder, retail employees can only be scheduled on Sundays and the above holidays if they voluntarily agree to do so. It's recommended that employers notify employees in advance about any Sunday or holiday work expectations during the hiring process.
- The laws vary based on the type of business. Generally, Massachusetts recognizes three different categories of businesses: retail, non-retail, and manufacturing.
- While the laws mentioned above are straightforward with regard to retail businesses, there are additional factors to consider with non-retail businesses and manufacturers.

Employer Next Steps

- All Massachusetts retail employers should review their payroll practices and decide how to handle premium pay for Sundays and holidays. Premium pay is no longer required; however, an employer can be more generous than the law.
- If you are a Full-Service, Managed Payroll or Virtual HR client and have questions about this e-Alert, please [email us](#).

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