Remember, The Massachusetts Minimum Wage Increased January 1, 2015

Insights
1.02.15

On January 1, 2015, the Massachusetts minimum wage increased from $8.00 to $9.00 per hour. This is the first of three annual minimum wage rate hikes that Massachusetts employers will face due to legislation signed into law last June.

Minimum Wage Boosted By One Dollar Each Year Through 2017
Rather than being tied to inflation, the consumer price index or some other economic indicator, the state minimum wage will go up by one dollar per hour each year, as follows:

- January 1, 2015 - $9.00 per hour
- January 1, 2016 - $10.00 per hour
- January 1, 2017 - $11.00 per hour

According to Governor Patrick's office, these minimum wage hikes are expected to affect more than 800,000 wage earners in Massachusetts.

Tipped Employee Service Rate Increase
The service rate for tipped employees is also increasing over the next three years. For 2015, the service rate is $3.00 per hour, up from $2.63 per hour. In 2016, the service rate goes up to $3.35 per hour and in 2017, to $3.75 per hour.

The service rate applies only to employees that regularly receive more than $20 a month in tips. In addition, businesses may only pay this service rate if the employee's average hourly tips plus the service rate equals or exceeds the state minimum wage. In other words, in 2015, tipped employees must average at least $6.00 in tips per hour so that the total of their average hourly tips and the $3.00 per hour service rate equals the $9.00 minimum hourly wage rate.

Agriculture Wage Rate
The minimum wage for farm workers and others who grow or harvest agricultural commodities is going up to $8.00 per hour beginning January 1, 2015. This is a substantial boost from the previous agriculture minimum wage rate of $1.60 per hour. Exceptions apply to farm workers age 17 or younger and to the members of a farm employer's family.

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If you have any questions regarding these changes or other Massachusetts wage and hour laws, contact any attorney in the Boston office of Fisher Phillips at 617.722.0044.

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