

June 21, 2018

The Legislature on Wednesday enacted and sent to Governor Baker legislation that would raise the minimum wage and create a paid family and medical leave program for employees. The 'Grand Bargain' legislation was motivated directly by the three ballot questions which potentially would have eliminated \$2 billion in state revenue via a reduction in the sales tax, moved the minimum wage to \$15 per hour over four years and provided for a more generous and costly employee medical leave program. Given nursing homes' dependence on Medicaid funding, Mass Senior Care continues to aggressively advocate that the state funds its share of these new unfunded mandates. Under the bill:

- **Minimum Wage** – the hourly minimum wage would rise from \$11 to \$15 over a five-year period beginning in 2019, rather than four years and further inflationary increases proposed in the ballot initiative petition.
- **Paid Family and Medical Leave Program** – the proposal would create a paid family and medical leave program that would allow almost all employees to take up to 12 weeks of family leave and up to 20 weeks of medical leave. The program would be funded through a payroll tax (0.63 percent) on workers and employers, expected to total about \$4.25 per week per employee, beginning July 1, 2019. An employee's compensation under the program would be a percentage of salary, capped at \$850 a week. The leave program would begin to pay benefits beginning January 1, 2021.
- **Permanent Sales Tax Holiday** – would establish a permanent sales tax holiday beginning in 2019, though it would not reduce the state sales tax rate, as proposed by the Retailers Association of Massachusetts, which has sponsored a ballot initiative to do both.