

Employment Alert: Bill Mandating Treble Damages in Wage and Hour Disputes Becomes Law

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On April 14, the Massachusetts Legislature passed a law (Senate Bill 1059) imposing mandatory treble damages on employers who violate the Massachusetts Wage and Hour Law, M.G.L. c. 149 B 148. The new law mandates the courts to treble damages awarded to employees for all violations of the Wage and Hour Law, without defense. The new law, which Governor Deval Patrick allowed to become law without his signature, goes into effect in 90 days, on July 13, 2008.

The business community largely opposed passage of the law, as it makes treble damages mandatory for any violation—including inadvertent violations and violations that occur despite an employer's good faith efforts to comply with the Commonwealth's complex wage and hour laws. This automatic penalty may encourage employees, and employees' lawyers, to initiate large-scale class action wage and hour lawsuits against employers in Massachusetts.

What Can Employers Do to Avoid These Penalties?

The Commonwealth's wage and hour laws are technical and intricate, and govern a broad spectrum of wage and hour issues. For example, these laws pertain to minimum wage, overtime (and exemptions from overtime), incentive compensation (bonuses and commissions), timely payment of wages, premium pay, tips and tip distribution and pooling. In light of the fact that treble damages are now mandatory, employers should renew their efforts at ensuring compliance with the Commonwealth's Wage and Hour Laws.

This alert provides a brief overview of the new "treble damages" law. We strongly recommend that our clients review their current policies and practices on employee classification, minimum wage, overtime pay, and similar wage and hour issues, and contact Mintz Levin immediately with any questions.

For additional information, or for help preparing and submitting comments, please contact the Mintz Levin lawyer with whom you usually work or one of the employment attorneys listed below.

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