



**Commonwealth of Massachusetts Executive Department
Office of Governor Deval L. Patrick
Press Release**

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GOVERNOR PATRICK SIGNS LEGISLATION RAISING MINIMUM WAGE TO HIGHEST IN NATION

Bill Strengthens Worker Protections, Reforms Unemployment Insurance

BOSTON – Thursday, June 26, 2014 – Governor Deval Patrick today joined legislators, organized labor, business leaders and worker advocates to sign S.2195, “An Act Restoring the Minimum Wage and Providing Unemployment Insurance Reforms,” a landmark bill that gradually raises the minimum wage to \$11 over three years, lowers unemployment insurance (UI) costs for employers across the state, strengthens safety protections for workers and makes permanent the multi-agency task force charged with combatting the underground economy.

“Raising the minimum wage brings a little relief to the working poor, many of whom do jobs we could not live without and who recycle money right back into the economy,” said Governor Patrick. “By signing this bill, we show the Nation that opportunity can and must be spread outward, not just upward. I thank the Legislature for their important work in reaching this milestone.”

“I am very proud of the Legislature for taking action to address minimum wage and unemployment insurance reform in the Commonwealth,” said Senate President Therese Murray. “Increasing the minimum wage to \$11 an hour will provide much-needed relief to many hard-working residents and, by updating our unemployment insurance rating table and introducing a multi-rate freeze for our businesses, we are rewarding responsible companies and providing more financial predictability. These changes are necessary to create an environment here in Massachusetts where residents can succeed and thrive.”

“Today’s bill signing marks a new and hopeful beginning for families across the Commonwealth,” said House Speaker Robert A. DeLeo. “The industrious spirit of Massachusetts residents has made our state an economic and cultural leader. This legislation bolsters that asset, empowers hardworking individuals and provides businesses with the reform they need to be catalysts for economic growth. I thank Governor Patrick, Senate President Murray and my colleagues in the Legislature for their work on this landmark bill.”

In January, during his State of the Commonwealth address, the Governor called for action to raise the minimum wage in Massachusetts. The bill signed today will bring relief to many of the Commonwealth’s most vulnerable citizens, helping more than

800,000 Massachusetts wage earners, including tipped workers whose minimum pay will increase to \$3.75 an hour by 2017. This is the first time tipped worker wages have been raised in the Commonwealth since 1999.

Under the bill, reforms to the state's unemployment insurance system would freeze UI rates for employers for three years and expand the wage base subject to those rates to \$15,000. It also extends from one to three years the period the Department of Unemployment Assistance reviews an employer's usage of UI benefits which is another factor in determining employer premiums.

"A 38 percent pay raise means a lot to low-wage workers who may have to work several jobs just to put food on the table," said Secretary of Labor and Workforce Development Rachel Kaprielian. "Massachusetts is leading the way in bringing them closer to earning a paycheck they and their families can live on."

"When it comes to moving our economy forward, we cannot afford to leave any of our workers behind," said Secretary of Housing and Economic Development Greg Bialecki. "By raising the minimum wage, Massachusetts leads the nation in providing economic fairness to residents throughout the Commonwealth. I applaud the Governor for signing this important bill."

"There should be no connection between the words 'working' and 'poor'," said Senator Stephen M. Brewer. "If you work hard for a living, you deserve to be compensated fairly and adequately."

"Raising the minimum wage is a victory for working people across this Commonwealth," said Senator Dan Wolf. "As a matter of fundamental fairness and economic policy, helping hardworking people and stimulating economic growth, restoring the minimum wage is the right thing to do. The unemployment insurance reform included in the bill provides relief and stability to our business community while protecting the important unemployment insurance benefit to those in need."

"In these uncertain economic times, the Legislature continues to work hard to balance the needs of employers and employees across Massachusetts," said Representative Brian S. Dempsey. "By adjusting unemployment insurance rates, we are protecting the Commonwealth's businesses from an anticipated premium increase, which in turn safeguards current jobs. And by increasing the minimum wage, we are helping working families to continue to access the unique opportunities available to all the Commonwealth's residents."

"This minimum wage increase to \$11/hour will put more money into the pockets of working families, grow our economy and create new jobs," said Representative Thomas Conroy. "No one who works full time should be living in poverty, and this new law will help bring an end to this situation. It's also a significant step toward addressing the rising income disparities in our state, an issue I will continue to work on as long as I am in public service."

"Raise Up Massachusetts thanks Governor Patrick for signing this important bill that will help more than 800,000 families who deserve to earn fair wages," said Deb Fastino, co-chair of Raise Up Massachusetts. "Giving Massachusetts the highest minimum wage in the country will put more money in the hands of working families and strengthen our economy. We also thank Senate President Murray, House Speaker DeLeo and the Legislature for hearing the voices of working families across the Commonwealth."

The bill includes federal health and safety protections for state workers, delivering on Executive Order No. 511 issued by Governor Patrick in 2009. That Executive Order established the Massachusetts Employee Safety and Health Advisory Committee to study ways to implement prevention standards in order to reduce the costs state agencies pay for worker injuries and illnesses.

"This is a huge step forward for the Commonwealth," said Marcy Goldstein-Gelb, Executive Director of the workplace safety group, the Massachusetts Coalition for Occupational Safety & Health (MassCOSH). "By instituting health and safety measures that are known to prevent injury and death, we will protect the well-being of our state's employees and save the taxpayers costly workers compensation costs."

The bill will also give both workers and employers continued protections from businesses that misclassify workers and abuse wage and hour laws creating unfair competition for employers who play by the rules by codifying the Joint Task Force on the Underground Economy (JTF). The JTF, established by Governor Patrick six years ago, has already collected millions of dollars in tax obligations and fines from unscrupulous employers. With the signing of this bill, the JTF will now become a permanent investigative unit to combat the underground economy.

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