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Employers Take Note: Imminent Increases to the Massachusetts Minimum Wage and FLSA Exempt Status Threshold

By: Rich May

The New Year will bring changes to both the Massachusetts minimum wage and the Fair Labor Standards Act (FLSA) that employers (and employees) should be aware of.

On January 1, 2020, the Massachusetts minimum wage will move from \$12 per hour to \$12.75 per hour. The Commonwealth's minimum wage will continue to increase by \$0.75 per hour each year up to \$15 per hour in January of 2023. The "tipped" minimum wage will similarly increase to \$4.35 per hour on January 1, 2020. The "tipped" minimum wage will also increase each year until reaching \$6.75 per hour in January of 2023.

Also effective January 1, 2020, the FLSA salary threshold for exempt status will move from \$455 to \$684 per week (equivalent to \$35,568 per year for a full-year worker). The U.S. Department of Labor estimates that 1.2 million additional workers will be entitled to minimum wage and overtime pay as a result of the increase to the standard salary level. The Department is also increasing the total annual compensation level for "highly compensated employees (HCE)" from the currently-enforced level of \$100,000 to \$107,432 per year. Over 100,000 workers will be entitled to overtime pay as a result of the increase to the HCE compensation level.

Anyone with questions can contact Rich May, P.C. attorneys [Allen Holland](#) and [Nathaniel Donoghue](#).



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