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PRESS RELEASE

FOR IMMEDIATE RELEASE:

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Gobi Announces Legislation to Raise Minimum Wage, Enact Substantial Reforms to Unemployment Insurance, Enhance Protections for Domestic Workers

Highlights commitment to addressing inequality, supporting businesses and creating jobs

(BOSTON) – Representative Gobi joined her colleagues in the Massachusetts House of Representatives to pass a bill that reforms the state’s unemployment insurance system (UI) and raises the minimum wage, changes that will make both systems more sustainable, fair and predictable.

To balance the needs of businesses and individuals, the legislation addresses minimum wage and UI in tandem. The bill proposes a new minimum wage of \$10.50 an hour and a new tipped wage of \$3.75 an hour, both to be phased in over three years. In the interest of providing employers with stability and accountability, neither wage will be indexed to economic factors.

“With this vote to increase the minimum wage and to reform our unemployment insurance system, the House has strengthened two important aspects of our state’s social and economic fabric,” House Speaker Robert A. DeLeo (D-Winthrop) said. “By pairing an increase in minimum wage with UI reform we will improve conditions for working families and provide a vehicle for economic growth.”

“The House has approved an increase to the minimum wage and created essential protections for domestic workers while making targeted adjustments to our unemployment insurance system. These policies will ensure that both employers and employees are part of a system that is efficient, effective, and fair,” said Representative Brian S. Dempsey (D – Haverhill), Chairman of the House Committee on Ways and Means. “Our goal, as always, is to provide all members of the Massachusetts workforce with equal access to the opportunities that encourage our Commonwealth’s diverse and innovative economy.”

“This bill was the result of numerous meetings with employees and employers and is a balanced approach to an issue that is so important,” said Rep. Gobi.

The minimum wage increase will be implemented in accordance with the below timeline:

- \$9.00 an hour effective July 1, 2014
- \$10.00 an hour effective July 1, 2015
- \$10.50 an hour effective July 1, 2016

The tipped minimum wage increase will be implemented in accordance with the below timeline:

- \$3.00 an hour effective July 1, 2014
- \$3.35 an hour effective July 1, 2015
- \$3.75 an hour effective July 1, 2016

Reforms to unemployment insurance are designed to increase predictability for employers and close existing loopholes. This bill includes a rate freeze for 2014 and a three-year rate freeze which will reflect the new wage base and rate table. Additional changes include:

- Adjusting the ratings table to lower the tax burden on most employers;
- Increasing system accountability for public employees, including municipal and seasonal employees and retirees. This includes closing loopholes that enable school-based municipal employees as well as retirees to receive both pensions and UI benefits.

The legislation also creates the Domestic Worker's Bill of Rights which enhances and establishes numerous workplace rights and protections for employees including caregivers, nannies and housekeepers. The bill extends the Massachusetts Maternity Leave Act to domestic workers and expands wage and hour law protections. It also guarantees UI coverage.

The bill passed the House 125-24.

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