

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Fourteen**

1 by striking all after the enacting clause and inserting in place thereof the following:-

2 SECTION 1. Chapter 29 of the General Laws, as appearing in the 2012 Official Edition,  
3 is hereby amended by adding the following section:-

4 Section 2JJJJ. There is hereby established and set up on the books of the commonwealth  
5 a separate fund to be known as the Living Wage Empowerment Fund, hereinafter called the  
6 fund. The fund shall be administered by the commissioner of revenue. Amounts credited to the  
7 fund shall be expended, without further appropriation, to taxpayers who receive a tax credit  
8 under section 6(h) of chapter 62 and have 1 or more qualifying dependent children.

9 The commissioner shall provide taxpayers with 1 or more qualifying dependent children  
10 20 per cent of the amount said person qualified for, claimed, and received under section 6(h) of  
11 chapter 62.

12 The department of revenue shall be the administrator of the fund and shall maintain the  
13 fund as a separate fund and shall cause it to be audited by an independent accountant on an  
14 annual basis in accordance with generally-accepted accounting principles.

15 There shall be credited to the fund any revenue from appropriations or other monies  
16 authorized by the general court and specifically designated to be credited to the fund, and any  
17 gifts, grants, private contributions, investment income earned on the fund's assets and all other  
18 sources, including federal funds for the temporary assistance to needy families program. Money  
19 remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

20 The fund shall supplement and not replace existing credits received under section 6(h) of  
21 chapter 62.

22 SECTION 2. Section 1 of chapter 151 of the General Laws, as appearing in the 2012  
23 Official Edition, is hereby amended by striking out, in line 5, the figure “8.00” and inserting in  
24 place thereof the following figure:- 8.75.

25 SECTION 3. Said section 1 of said chapter 151 is hereby further amended by striking out  
26 the figure “8.75”, inserted by section 2, and inserting in place thereof the following figure:- 9.50

27 SECTION 4. Said section 1 of said chapter 151, as so appearing, is hereby further  
28 amended by striking out, in line 12, the figure “.10” and inserting in place thereof the following  
29 figure:- .50

30 SECTION 5. Said Section 1 of said chapter 151, as so appearing, is hereby further  
31 amended by adding the following sentence:-

32 Notwithstanding the provisions of this section, no wage rate greater than \$1.00 per hour  
33 more than the effective federal minimum rate shall be presumed to be oppressive or unreasonable  
34 if the employer provides the wage collector “minimum credible coverage” under section 1 of  
35 chapter 111M.

36 SECTION 6. Section 7 of said chapter 151, as so appearing, is hereby further amended by  
37 striking out, in lines 30 and 31, inclusive, the words “the cash wage required to be paid such an  
38 employee on July 1, 1999” and inserting in place thereof the following:-

39 “\$2.89; provided, however, that if an employer certifies with the department that its  
40 tipped employees receive at least twice the wage in effect under section 1, then the amount paid  
41 to such employee by the employer shall be an amount equal to: (1) the cash wage paid such  
42 employee which for purposes of such determination shall be not less than the cash wage required  
43 to be paid such an employee on July 1, 1999; and (2) an additional amount on account of the tips  
44 received by such employee which amount is equal to the difference between the wage specified  
45 in clause (1) and twice the wage in effect under section 1.”

46 SECTION 7. Said Section 7 of said chapter 151, as so appearing, is hereby amended by  
47 striking out the figure “\$2.89”, inserted by section 6, and inserting in place thereof the following  
48 figure:- \$3.15.

49 SECTION 8. The minimum wage shall be reviewed every two years beginning July 1,  
50 2016, by the secretary of administration and finance, in consultation with the secretary of  
51 housing and economic development, and the secretary of labor and workforce development, to  
52 recommend to the governor and the general court any changes to the minimum wage, effective  
53 January 1st. Such recommendations shall consider but not be limited to the following factors: the  
54 rate of inflation, the minimum wage in other states, the commonwealth’s competitiveness, the  
55 status of the commonwealth’s labor market, the commonwealth’s teen unemployment, the  
56 effectiveness of increasing the minimum wage in helping the target population and there shall be  
57 at least 3 public hearings held in various geographic regions in the commonwealth.

58 SECTION 9. The secretary of labor and workforce development, in consultation with the  
59 secretary of administration and finance and the secretary of housing and economic development,

60 shall study the impact of the minimum wage rate and minimum wage rate increases as they relate  
61 to New England City and Town Area's (NECTAs) and Labor Market Areas (LMAs) in  
62 Massachusetts. The study shall analyze the cost of living in said NECTAs and LMAs and the  
63 effective minimum wage rate adjusted for the cost of living in said NECTAs and LMAs,  
64 detailing the impact of minimum wage rates on employment, the ability of employers to hire  
65 additional employees, and the effectiveness of the minimum wage rate at reducing poverty and  
66 helping financial independence. The report, together with any legislative recommendations,  
67 shall be filed electronically with the clerks of the house of representatives and the senate and the  
68 joint committee on labor and workforce development not later than May 15, 2015.

69 SECTION 10. There is hereby established a living wage commission to address poverty  
70 reduction and ensuring all workers are provided with a wage allowing them to live a healthy and  
71 financially independent lifestyle. The commission shall consist of the following members or  
72 their appointees: the secretary of labor and workforce development, the secretary of  
73 administration and finance, the secretary of housing and economic development, the senate  
74 president, the speaker of the house of representatives, the senate minority leader and the minority  
75 leader of the house of representatives. The commission shall issue a report on an appropriate  
76 wage rate to ensure that employees can afford the cost of living in their geographic area and a  
77 healthy and financially independent lifestyle. Said report shall be submitted to the clerks of the  
78 house of representatives and the senate and filed not later than June 15, 2015.

79 SECTION 11. Notwithstanding any general or special law to the contrary, following any  
80 increase in the minimum wage the secretary of labor and workforce development shall report on  
81 the impact of said increase on employment in the commonwealth, impacts on businesses,  
82 particularly small businesses in the commonwealth, and success of increasing the minimum  
83 wage in helping the target population. Said report shall be submitted to the clerks of the house  
84 and senate, and the joint committee on labor and workforce development within one year of an  
85 increase in the minimum wage.

86 SECTION 12. Section 2, 4 and 6 shall take effect January 1, 2015.

87 SECTION 13. Section 3 and 7 shall take effect January 1, 2016.

88 SECTION 14. Paragraph (2) of subsection (r) of section 1 of chapter 151A of the  
89 General Laws, as so appearing, is hereby amended by adding the following sentence:-  
90 "Notwithstanding any general or special law to the contrary, an individual employed as a  
91 crewmember on a commercial fishing vessel shall be deemed to be in total unemployment during  
92 any period of general closing of the individual's employer's fishing vessel due to the employer's  
93 inability to conduct fishing operations as a result of state fisheries management restrictions and  
94 or federal fisheries management restrictions and the individual performs no wage-earning  
95 services whatsoever, and for which he receives no remuneration during those periods of general  
96 closing of the individual's employer's fishing vessel."

97 SECTION 15. Section 1 of said chapter 151A, as so appearing, is hereby amended by  
98 striking out, in lines 327 and 338, the word “sixteen” and inserting in place thereof, in each  
99 instance, the following figure:- 20.

100 SECTION 16. Section 6A of chapter 151A of the General Laws, as appearing in the  
101 2012 Official Edition, is hereby amended by inserting after subsection (6) the following: -

102 “(7) an election official or election worker if the amount of remuneration received by the  
103 individual during the calendar year for services as an election official or election worker is less  
104 than \$1000.”

105 SECTION 17. Section 14 of chapter 151A of the General Laws, as appearing in the 2012  
106 Official Edition, is hereby amended by inserting in the definition of “reserve percentage”, after  
107 the word “date” in line 57, the following:-

108 “provided, however, that not less than 6 months before the computation date, the  
109 commissioner shall make available on its website and distribute to employers an assessment of  
110 the projected unemployment compensation fund reserve percentage for the upcoming calendar  
111 year.”

112 SECTION 18. Subsection (h) of Section 14 of chapter 151A of the General Laws, as  
113 appearing in the 2012 Official Edition, is hereby amended by adding the following paragraph:-

114 “(4) For the purposes of determining the annual statewide contribution schedule provided  
115 for in subsection (i), any determination that the schedule will yield a column resulting in  
116 increased employer contributions shall be approved by the general court and governor  
117 communicated to employers not less than 120 days prior to the first contribution under said  
118 increased schedule being due.”

119 SECTION 19. Paragraph (l) of subsection (i) of said section 14 of said chapter 151A, as  
120 so appearing, is hereby amended by striking out, in line 187 and 188, the date “January 1, 2004”  
121 and inserting in place thereof the following date:- “January 1, 2015”

122 SECTION 20. Said paragraph (l) of said subsection (i) of said section 14 of said chapter  
123 151A, as so appearing, is hereby further amended by striking out the table and inserting in place  
124 thereof the following table:-

125

126 SECTION 21. Section 14F of chapter 151A of the General Laws, as appearing in the  
127 2012 Official Edition, is hereby amended by inserting, in line 29, after the word “effect”, the  
128 following: -

129 “; and provided further, that any requirement that employers will have to contribute from  
130 a column in the annual statewide contribution schedule that results in increased contributions

131 shall be approved by the general court and governor, communicated to employers not less than  
132 120 days prior to the first contribution under said increased schedule being due.

133 SECTION 22. Said Section 14F of said chapter 151A of the General Laws, as so  
134 appearing, is hereby further amended by adding the following sentence:-

135 “All reports required by this section shall be made prominently available on the website  
136 of the department of unemployment assistance.”

137 SECTION 23. Said chapter 151A of the General Laws, as so appearing, is hereby  
138 amended by inserting after section 14P the following section:-

139 “Section 14Q. Treasury Offset Program. The commissioner may enter into an agreement  
140 with the Secretary of the Department of Treasury, under the provisions of 26 U.S.C. § 6402 (f)  
141 and 31 CFR § 285.8, to transmit valid, unpaid, and overdue unemployment compensation debts  
142 to the Financial Management Service, a bureau of the U.S. Department of the Treasury, for  
143 collection by offset of Federal tax refund payments through the Treasury Offset Program. If the  
144 commissioner chooses to participate in the Treasury Offset Program to recover unemployment  
145 compensation debt, the commissioner shall adhere to all rules, policies, and guidance as required  
146 by the U.S. Department of the Treasury and the U.S. Department of Labor in implementing and  
147 administering the program. The commissioner may promulgate such regulations as needed to  
148 implement this section.”

149 SECTION 24. Section 15 of said chapter 151A of the General Laws, as so appearing, is  
150 hereby amended by inserting after subsection (e), the following :-

151 “(f) If an assessment, or any administrative decision upon review thereof has become  
152 final and the contributions, payments in lieu of contributions, interest, or penalties thereby  
153 assessed remain unpaid, the Director may refer the unpaid and overdue amount to the Secretary  
154 of the Department of Treasury for collection under the provisions of 26 U.S.C. § 6402 (f), the  
155 Treasury Offset Program, provided that all procedures for notice and opportunity to present  
156 evidence as required by 31 CFR § 285.8 have been followed.”

157 SECTION 25. Section 24 of chapter 151A of the General Laws is hereby amended by  
158 striking paragraph (a) in its entirety and inserting in place thereof the following:-

159 “(a) Have been paid wages in the base period amounting to at least forty times the weekly  
160 benefit rate; provided, however, that for the period beginning on January first, nineteen hundred  
161 and ninety-five the individual has been paid wages in at least two quarters of the base period  
162 amounting to at least forty times the weekly benefit rate; provided, further, that said amount shall  
163 be increased annually proportionately, rounding to the nearest one hundred dollars, to any  
164 increases which have occurred during the prior calendar year in the minimum wage as set forth

165 in section one of chapter one hundred and fifty-one; and, provided further, that any such increase  
166 shall be effective beginning on the first Sunday in January.”

167 SECTION 26. Section 28A of said chapter 151A of the General Laws, as so appearing, is  
168 hereby amended by inserting after subsection (d) the following:-

169 “(e) with respect to any services described in subsections (a) and (b) that are provided to  
170 or on behalf of an education institution, benefits shall not be paid to any individual under the  
171 same circumstances as described in subsections (a) through (c).”

172 SECTION 27. Section 30 of said chapter 151A of the General Laws, as so appearing, is  
173 hereby amended by striking out subsection (a) in its entirety and inserting in place thereof the  
174 following :-

175 “(a) Except as provided in subsection (b) and (d), the total benefits which an unemployed  
176 individual may receive during his benefit year shall be an amount equal to thirty-six percent of  
177 his wages in the base period, or an amount equal to thirty times his benefit rate, whichever is  
178 less, plus dependency benefits payable under section 29; provided, that if in any month the  
179 average state-wide unemployment rate for the prior 6 months, as determined by the United States  
180 Department of Labor, is equal to or below 5.1 percent, the total benefits which an unemployed  
181 individual who then files a claim may receive during his benefit year shall be an amount equal to  
182 36 per cent of his wages in the base period or an amount equal to 26 times his benefit rate,  
183 whichever is less, plus dependency benefits payable under said section 29. If such amount  
184 includes a fractional part of a dollar, it shall be rounded to the next lower full dollar amount.”

185 SECTION 28. Said section 30 of said chapter 151A of the General Laws, as so appearing,  
186 is hereby amended by adding the following subsection:-

187 “(d) Notwithstanding the provisions of subsection (a), in any period that the average  
188 state-wide unemployment rate exceeds 5.1 percent and is below 7.0 percent, an individual’s  
189 rights to receive regular benefits under this chapter for any week in excess of 26 times the  
190 individual’s weekly benefit amount, plus dependency benefits payable under section 29, shall be  
191 dependent on the individual’s participation in an unpaid internship or volunteer program  
192 approved by the commissioner. An individual may participate and receive a weekly benefit  
193 amount in an approved unpaid internship program or volunteer program for 4 weeks in excess of  
194 the 26 week benefit period. For each week in excess of said 26 weeks, in order to receive the  
195 corresponding benefits for that week, the individual shall complete a week in such approved  
196 internship or volunteer program. Approved participation in such program shall not result in a  
197 decrease in an individual’s regular benefits. Benefits under this chapter in excess of 26 weeks  
198 shall not be conditional upon participation in an unpaid internship or volunteer program if the  
199 average state-wide unemployment rate for the prior 6 months is equal to or above 7.1 percent,  
200 provided that in no case shall regular benefits be distributed in excess of 30 weeks.”

201 SECTION 29. Subsection (a) of section 62A of chapter 151A of the General Laws, as  
202 appearing in the 2012 Official Edition, is hereby amended by adding the following paragraph:-

203 “The department shall yearly conduct at least 1 public hearing to seek the input of  
204 Massachusetts employers. Said hearing shall be held at a time and location designated to  
205 maximize employer participation. Not less than 20 days prior to a public hearing the  
206 commissioner shall conspicuously post notice of the time and location of the hearing on its  
207 website and send notice, electronically or otherwise, to members of the general court; every  
208 employer with an account with the department; the Massachusetts and Greater Boston Chambers  
209 of Commerce; the Massachusetts Taxpayers Association, Associated Industries of  
210 Massachusetts, and the National Federation of Independent Businesses.”

211 SECTION 30. Section 69B of said chapter 151A of the General Laws, as so appearing, is  
212 hereby amended by inserting, at the end thereof, the following :-

213 (b) In addition to any other remedy provided by this chapter, the commissioner may  
214 request that the amount payable to the department by an individual resulting from an  
215 overpayment of unemployment benefits which has become final as specified in 430 CMR 6.12  
216 be set off against any Federal tax refund payment owed to such individual by the U.S.  
217 Department of Treasury, in accordance with the requirements of the Treasury Offset Program  
218 described in section 14Q of this chapter.

219 SECTION 31. There shall be a special commission to conduct an investigation and  
220 study of the activities and efficacy of the adjudication of unemployment insurance claims by the  
221 department of unemployment assistance under the executive office of labor and workforce  
222 development. The commission shall consist of 11 members: 2 members who shall be appointed  
223 by the state auditor, both of whom shall have experience with the adjudication of unemployment  
224 disputes, and 1 of whom shall serve as chair; 2 members of the senate, 1 of whom shall be  
225 appointed by the senate president and 1 of whom shall be appointed by the minority leader of the  
226 senate; 2 members of the house of representatives, 1 of whom shall be appointed by the speaker  
227 of the house and 1 of whom shall be appointed by the minority leader of the house; the director  
228 of the department of unemployment assistance, or a designee; the president of the Massachusetts  
229 taxpayer’s foundation, or a designee; the executive vice-president of the AFL-CIO, or a  
230 designee; the executive vice-president of associated industries of Massachusetts, or a designee;  
231 and the executive director of the Massachusetts municipal association, or a designee.

232 The study shall include, but not be limited to, an analysis of: (1) the number of claims  
233 received by the department quarterly since January 1, 2010 and the resulting status of all claims,  
234 including any information pertinent to the description of the status of said claims, including, but  
235 not limited to (i) the results of all initial determinations of claims, (ii) the results of any appeals  
236 resulting from said initial determination, (iii) the number of rulings reversed through the appeals  
237 and review process, (iv) the number of claims arising from the provisions of subdivisions (1)

238 and (2) of subsection (e) of section 25 of chapter 151A, and (v) the number of claims settled in  
239 favor of the claimant and in favor of the employer; (2) the average length of time of the appeals  
240 and review process of a claim from initial determination to final disposition; (3) the procedures  
241 through which the department hires and trains new employees to implement the provisions of  
242 sections 39 through 41, inclusive, of chapter 151A, including a determination as to whether or  
243 not employment procedures have been followed pursuant to section 9K of chapter 23.

244 The study shall also include the recommendations of the commission relative to: (1)  
245 procedures through which the department may produce a quarterly report, to be posted on the  
246 department's website, of the number of active claims and the status of said claims; (2)  
247 procedures through which any current backlog of cases may be fairly and efficiently resolved  
248 and avoided in future department proceedings; (3) procedures through which oversight and  
249 quality control principles may be implemented to ensure the continuing prompt, equitable, and  
250 transparent application of current law by the commissioner and the board of review; (4) a  
251 complete review of current statute and regulations relative to the implementation of chapter  
252 151A and any recommendations as to possible legislative reform and streamlined procedures,  
253 including, but not limited to, recommendations and procedures for the uniform and effective  
254 implementation of section 25 of chapter 151A.

255 The commission may request from all state agencies such information and assistance as  
256 the commission may require. The commission shall report the results of its investigation and  
257 study, together with drafts of legislation, if any, necessary to carry its recommendations into  
258 effect, by filing the same with the clerks of the senate and house of representatives, who shall  
259 forward the same to the joint committee on public health and the house and senate committees on  
260 ways and means on or before December 31, 2014.

261 SECTION 32. The department of unemployment assistance shall, beginning on  
262 December 31, 2014 and continuing annually through December 31, 2016, prepare a report on the  
263 number of unemployment claimants who are over the age of 50 and those recipients experiencing  
264 long-term unemployment. For the purposes of this section, the term "long-term unemployment"  
265 shall apply to those workers who have been unemployed for more than 27 weeks. Said report  
266 shall be made available on the department's website and submitted to the clerk of the house, the  
267 clerk of the senate, and the house and senate chairs of the joint committee on labor and  
268 workforce development.

269 In conjunction with said report, the department shall also develop specialized training  
270 programs and strategies for addressing the unique needs of older workers and the long-term  
271 unemployed. The focus of these programs shall include, but not be limited to, retraining, the  
272 development of marketing skills, job search training, resume assistance and job placement. The  
273 department's annual report to the legislature shall include details on the success of said programs  
274 in assisting older workers and the long-term unemployed with securing employment.

275 SECTION 33. Notwithstanding any general or special law to the contrary, the  
276 commissioner or director of the department of unemployment assistance shall issue a report on  
277 the unemployment trust fund. Said report shall include, but not be limited to, the balance in the  
278 fund in each of the past 12 months and a projection of both the future balances in the fund for  
279 each of the next 12 months after the enactment of this legislation and the future balance  
280 projections without the enactment of this legislation, and the assumptions used to generate said  
281 projections. Said report shall be made available on the website of the department and submitted  
282 to the clerks of the house of representatives and the senate and to the joint committee on labor  
283 and workforce development not later than April 15, 2014.

284 SECTION 34. Notwithstanding any general or special law to the contrary, the  
285 commissioner, as defined in section 1 of chapter 151A, shall establish a program through which  
286 in-state employers may offer unpaid internships or job training to individuals receiving state  
287 unemployment benefits and an approval process for the inclusion of any business in such  
288 program; provided, however, that said program shall allow for employers to begin formal  
289 employment with an individual for not more than 1 week while the individual receives  
290 unemployment benefits. The purpose of this program shall be to maximize opportunities for  
291 worker training and establish connections between businesses and the state workforce.”

292 SECTION 35. Notwithstanding section 14 of chapter 151A of the General Laws, for  
293 calendar year 2015, the experience rate of an employer qualifying under subsection (b) of said  
294 section 14 of said chapter 151A shall be the rate in column “C” in paragraph (1) of subsection (i)  
295 of said section 14 of said chapter 151A.

296 SECTION 36. Notwithstanding section 14 of chapter 151A of the General Laws, for  
297 calendar year 2016, the experience rate of an employer qualifying under subsection (b) of said  
298 section 14 of said chapter 151A shall be the rate which appears in column “A” of paragraph (1)  
299 of subsection (i) of said section 14 of said chapter 151A; provided however, if the rate appearing  
300 in said column “A” is projected to result in a balance in the Unemployment Compensation Fund  
301 of less than \$250,000,000, or greater as needed to ensure the minimum solvency of the  
302 Unemployment Compensation Fund, at the end of calendar year 2016, then the secretary of labor  
303 and workforce development shall submit a report to the clerks of the house of representatives and  
304 senate, the house and senate chairs of the joint committee on labor and workforce development  
305 and the house and senate chairs of the committees on ways and means, not later than December  
306 31, 2015, with recommendations on the necessary rate change according to the rates set under  
307 said paragraph (1) of said subsection (i) of said section 14 of said chapter 151A to maintain an  
308 end of calendar year 2016 balance of \$250,000,000, or greater as needed to ensure the minimum  
309 solvency of the Unemployment Compensation Fund; provided, further that said recommended  
310 rate change shall not exceed the rate set forth in column “C” of said paragraph (1) of said  
311 subsection (i) of said section 14 of said chapter 151A.

312           SECTION 37. Notwithstanding section 14 of chapter 151A of the General Laws, for  
313 calendar year 2017, the experience rate of an employer qualifying under subsection (b) of said  
314 section 14 of said chapter 151A shall be the rate in column “C” in paragraph (1) of subsection (i)  
315 of said section 14 of said chapter 151A.