The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, January 25, 2024.

The committee on Labor and Workforce Development to whom was referred the petition (accompanied by bill, House, No. 3599) of Erika Uyterhoeven for legislation to implement a 4 day work week, and the petition (accompanied by bill, House, No. 3849) of Josh S. Cutler and Dylan A. Fernandes that the Executive Office of Labor and Workforce Development be authorized to establish a four-day work week pilot program, reports recommending that the accompanying bill (House, No. 4279) ought to pass.

For the committee,

JOSH S. CUTLER.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court (2023-2024)

An Act relative to a four-day work week pilot program.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1	SECTION 1. (a) Notwithstanding any general or special law to the contrary, the
2	executive office of labor and workforce development shall establish a pilot program to promote,
3	incentivize and support the use of a four-day work week by qualifying employers and to study
4	the benefits and impacts of such work arrangements on participating employees and employers.
5	This program shall be known as the Massachusetts Smart Work Week Pilot.
6	(b) For the purposes of this act, the following terms shall have the following meanings,
7	unless the context clearly requires otherwise:-
8	"Four-day work week", employees receive a meaningful reduction in actual work hours
9	without any reduction in overall pay.
10	"Pilot", the Massachusetts Smart Work Week Pilot Program, as established in this act.

"Qualifying employer", an employer operating in the commonwealth that enters an
agreement to participate in the Massachusetts Smart Work Week Pilot Program subject to this
act.

(c) Within one year of enactment, the executive office shall begin accepting applications from employers to participate in the pilot. The executive office shall publicize and promote such an application throughout the commonwealth and online to make application to the pilot accessible to all employers in the commonwealth. In addition to any other information required by the executive office, such applications by qualifying employers must include a detailed proposal to establish and implement a four-day work week for the qualifying employer's workforce or a division of the qualifying employer's workforce.

(d) Based on the information provided in the application subject to subsection (c) of this section, the executive office shall select qualifying employers from the applicant pool to participate in the pilot. The executive office shall make every effort to select qualifying employers of diverse size, occupation, industry sector and geographical location to participate in the pilot, including participation of veteran-, women- and minority-owned businesses and businesses owned by persons with disabilities. Employers in the public sector may participate in the pilot but shall not be eligible for tax credits under Section 2 of this act.

(e) Upon selection to participate in the pilot, qualifying employers must enter into an
agreement with the executive office providing that:

30 (i) the qualifying employer shall develop and implement a plan to transition its
31 designated employees to a four-day work week;

- (ii) an employee transitioning to a four-day work week under a qualifying employer will
 not receive a reduction in overall pay, status, or benefits; and
- (iii) the executive office shall study and evaluate the impact of transitioning to a four-day
 work week through gathering employee and qualifying employer data, including, but not limited
 to, employee surveys, interviews, economic data, and other information.
- 37 (f) Qualifying employers shall inform their employees of said employer's participation in 38 the pilot and shall allow their employees to opt out of participation in the pilot. Employees who 39 choose to participate in the pilot shall also be permitted to opt out of employee interviews, 40 surveys, and any other information gathering methods. Qualifying employers shall notify their 41 participating employees that collection of employee data for the purposes of this pilot shall be 42 anonymized.
- (g) The executive office shall research and collect data on an ongoing basis during the administration of the pilot. This shall include, but not be limited to: employee surveys to be conducted at the start, mid-point, and end of the pilot; employee interviews at the start and end of the pilot; participating employer, or designee, interviews at the start and end of the pilot and no later than December 31 of each year for the duration of the pilot; economic and administrative data from participating employers on a monthly basis.
- (h) The pilot shall have a total duration of no less than two years. Annually, not later than
 December 31 for the duration of the pilot, the executive office shall publish a report on the
 progress of this pilot on its website and submit said report to the clerks of the house and senate,
 the joint committee on ways and means, the joint committee on labor and workforce
 development, and the joint committee on economic development and emerging technologies.

54 Upon completion of the pilot, the executive office shall publish a final report online and submit 55 said report to the clerks of the house and senate, the joint committee on ways and means, the 56 joint committee on labor and workforce development, and the joint committee on economic 57 development and emerging technologies. The final report shall include, but not be limited to, the 58 total number of qualifying employers participating in the pilot; the size, occupation, industry 59 sector and geographical location of qualifying employers participating in the pilot; demographic 60 information of participating employees, including, but not limited to, age, gender and race; the 61 economic and social impact of a four-day work week on the qualifying employers participating 62 in the pilot; the impact of a four-day work week on the well-being and work life of participating 63 employees; any findings or recommendations based on the research conducted on four-day work 64 weeks.

65 SECTION 2. (a) Notwithstanding any general or special law to the contrary, a qualifying 66 employer shall be allowed a credit against the tax liability imposed by chapter 62 of the general 67 laws or the excise due under chapter 63 of the general laws, as it applies, for participation in the 68 Massachusetts Smart Work Week Pilot Program; provided, however, that an employer in the 69 public sector shall not be eligible for the credit. This credit shall terminate at the end of the 70 taxable year in which the conclusion of said pilot occurs.

(b) The secretary of labor and workforce development, in consultation with the
department of revenue, shall promulgate regulations establishing criteria and procedure for: (i)
an application process for the credit; and (ii) determining the amount of credit issued under this
section.

75 (c) To be eligible for a credit under this section, a qualifying employer shall have:

76 (i) participated in the pilot for no less than one year; and

(ii) submitted a report to the executive office detailing its transition to a four-day work
week, including data collection as described in subsection (g) of section 1 of this act.

(d) Prior to the issuance of any credit, the executive office shall confirm that the
qualifying employer has maintained compliance with its proposal subject to subsection (c) of
section 1 of this act.

82 (e) The executive office may determine the amount to be credited to a qualifying83 employer through one or a combination of the following:

84 (i) a fixed dollar amount for each qualifying employer;

85 (ii) a fixed dollar amount for each employee of the qualifying employer participating in86 the pilot;

87 (iii) a percentage of the wages paid to each employee of the qualifying employer
88 participating in the pilot; or

(iv) a dollar amount that assists in offsetting a qualifying employer's costs to hire new
employees due to the qualifying employer's participation in the program.

(f) The department of revenue, in consultation with the secretary of labor and workforce
development, shall annually, no later than March 1, file a report on the tax credit for its duration.
The report shall include, but not be limited to, the following: (i) total amount of tax credits
claimed pursuant to this subsection and (ii) the number of applications received and the number
of participating employers.