

MA AFL-CIO Legislative Fact Sheet



Stop Wage Theft in Massachusetts

An Act to Prevent Wage Theft and Promote Employer Accountability
S.999, filed by Senator Sal DiDomenico &
H.1033 Filed by Representative Aaron Michlewitz

An Act to Prevent Wage Theft and Promote Employer Accountability will level the playing field for honest businesses that follow the law by empowering the Attorney General with additional tools to hold violators fully accountable to recover what is wrongfully taken from workers and the state.

Passing the bill will lift up low-wage workers and families; strengthen the state's economy; and ensure Massachusetts remains a national leader in passing strong labor laws and workplace protections.

What does the legislation do?

- » **Protects Wage Rights:** Protects workers from wage theft violations such as a failure to make payments, failure to abide by minimum wage, prevailing wage, and overtime laws, independent contractor misclassification, and failure to comply with worker's compensation.
- » **Levels the Playing Field:** Promotes fair competition by ensuring all businesses, including lead companies, play by the rules and give their workers an honest day's pay for an honest day's work.

How does it accomplish this?

- » **Increases Accountability:** Holds businesses that contract for labor or services (lead companies) accountable for wage theft violations of subcontractors that are significantly connected to their business activities or operations.
- » **Government Enforcement:** Streamlines the enforcement power of the Attorney General's office by allowing it to bring wage theft cases directly to court and seek damages on behalf of workers. Clarifies that criminal penalties for wage theft violations apply only to employers with respect to their own employees, not lead companies.
- » **Stop Work Order:** In cases where there has been a determination of a wage theft violation, the Attorney General will have the power to issue a "Stop Work Order," which temporarily halts work until the violation is corrected. Employers will be given an opportunity to correct the violation and resume operations or request a hearing.

ANNUAL WAGE THEFT IN MASSACHUSETTS



Bad employers steal about \$700 million in wages from about 350,000 low-wage workers each year in MA.¹ Overall, workers get back less than one percent of the wages stolen from them.

**\$5.2 MILLION
WAGES RECOVERED
BY THE ATTORNEY
GENERAL²**