



LEGAL BULLETIN #117/2020 October 9, 2020

HOLIDAY PAY RULES REMINDER - COLUMBUS DAY

The Columbus Day holiday, celebrated this year on Monday, October 12, is considered a restricted holiday and has certain permit and premium pay rules:

- A dealership that operates on Columbus Day is required to pay most employees at time and one-half their regular rate so long as work is actually performed on the holiday. (Due to the error in the 2018 Grand Bargain, this holiday remains at 1.5x pay.)
- An employer may not require an employee to work on this holiday nor may it punish or penalize an employee for choosing not to work.
- If the dealership is going to be open prior to Noon on the day, a local permit is required.

Massachusetts law does not recognize "paid holidays." In other words, if an employee *does not* work on a legal holiday, there is no requirement that he or she be paid for the holiday. If, however, an employee *does* work on this legal holiday, Massachusetts law requires that the employee be paid at least time and one-half his or her regular rate.

In addition to complying with the Massachusetts holiday laws, a dealer must also comply with his or her own policies. If your Employee Handbook or past practice says that the day is a "paid holiday," then you are required to pay employees for that day even if it is not a regularly scheduled workday. Further, if an employee works on one of these days, the employee would be entitled to holiday pay for the day plus the additional premium pay for the hours worked on the holiday, or another day off with pay, if the handbook so provides. As a result, dealers are urged to review their holiday pay policies carefully to ensure that they accurately reflect their actual practices.

Finally, under Massachusetts law, certain retail businesses are required to obtain a permit in order to be open for business on certain holidays. If your dealership is going to open prior to 12 Noon on Columbus Day, you will need a permit issued by the local authorities. If you will be opening at a time after 12 Noon, no permit is needed.

Dealers may find additional information regarding the permit process and holiday pay rules in MSADA's "Guide to Wage and Hour Compliance for Massachusetts Dealers (November 2018)". These issues are also discussed in detail in our annual Holidays bulletin, for which the 2020 version was issued as Bulletin #59, December 30, 2019.

MSADA - YOUR DEALER ANSWER PLACE

If you have any questions regarding this bulletin, please contact Robert O'Koniewski,



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