MASSACHUSETTS EMPLOYMENT LAW UPDATE FOR 2026

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US Labor, Employment, and Workplace Safety Alert

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As 2026 begins, employers should be mindful of Massachusetts employment law developments that may affect a range of compliance obligations. New pay transparency requirements that took effect in 2025 will continue to impact covered employers' pay range disclosure and reporting obligations and require prompt review of job postings and policies as well as practices around setting pay ranges. Scheduled increases to the Massachusetts Paid Family and Medical Leave Benefit Cap will also take effect. In addition, legislative activity and litigation may impact wage requirements and the enforceability of noncompete agreements. In light of these developments, employers should review their compliance strategies and stay alert to further changes in the year ahead.

MASSACHUSETTS WAGE TRANSPARENCY ACT IN EFFECT

The Massachusetts Wage Transparency Act took effect in 2025. Under the law, as of 29 October 2025, Massachusetts employers with 25 or more employees are required to disclose pay ranges in all job postings and to current employees or applicants upon request, including for remote and hybrid roles tied to Massachusetts worksites.

Employers must also submit equal employment opportunity reports to the Secretary of the Commonwealth, and noncompliance can result in escalating penalties, with a two-day grace period to correct violations through October 2027.

Recommended actions include conducting pay equity audits, updating job postings and descriptions, implementing policies for pay range disclosures and anti-retaliation, and training HR staff and managers on compliance and communication regarding pay transparency.

For more information, check out our alerts on the law:

- **Massachusetts Joins Growing Number of States With a Pay Transparency Law**
- **What Employers Should Do Before 20 October 2025 to Prepare for Massachusetts' Pay Transparency Law**

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MASSACHUSETTS PAID FAMILY AND MEDICAL LEAVE UPDATE: BENEFIT CAP INCREASE FOR 2026

For calendar year 2026, the maximum weekly benefit amount available under the Massachusetts Paid Family and Medical Leave[1] program will increase to US$1,230.39. This reflects the annual adjustment tied to the state average weekly wage.

Contribution rates will remain unchanged for 2026: large employers (those with 25 or more covered individuals) will continue to contribute 0.88% of eligible wages, while small employers will continue to contribute 0.46% of eligible wages.

Employers should ensure their payroll systems reflect the updated benefit cap while maintaining existing contribution rate calculations for the upcoming year.

PROPOSED MINIMUM WAGE INCREASE LEGISLATION

Massachusetts lawmakers continue to consider proposals that would raise the minimum wage beyond US$15.00 per hour, which is the minimum wage in effect since 2023.

One such proposal, Senate Bill S.1349[2], would incrementally increase the minimum wage from US$15.00 to US$20.00 per hour by 2029 (with potential indexing thereafter) and would also adjust the tipped minimum wage upward as part of its framework.

Given these ongoing legislative efforts, employers should monitor potential minimum wage changes throughout 2026 to ensure timely compliance planning and payroll adjustments if a new law is adopted.

MASSACHUSETTS NONCOMPETE UPDATE: LITIGATION WATCH LIST

The body of Massachusetts Noncompetition Agreement Act[3] (MNAA) case law continues to develop, especially around what constitutes sufficient consideration under the MNAA.

In 2026, employers should keep an eye on the following pending litigation for potential clarity around this key provision of the MNAA:

***Boyd et al. v. The Boston Beer Company, Inc.*, No. 1:25-cv-13618 (D. Mass. Dec 1, 2025)**

A pending lawsuit has raised questions about what qualifies as adequate "other mutually agreed-upon consideration" under the MNAA. In *Boyd et al. v. The Boston Beer Company, Inc.*[4], a recently filed class action, former employees challenge the enforceability of noncompete agreements supported by only US$3,000 in post-employment consideration. In *Boyd*, the plaintiffs argue that the MNAA should not be read to allow employers to offer as consideration less than it would have to pay as garden leave under the law. *Boyd* is currently pending in US District Court for the District of Massachusetts.

***Anaplan Parent, LP v. Brennan*, No. 2584-CV-02350 (Mass. Super. Ct. Sept. 11, 2025)**

Another recent case, which is currently on appeal, addressed who may enforce a noncompete under the MNAA. In *Anaplan Parent, LP v. Brennan*[5], the Massachusetts Superior Court denied the plaintiff-parent's motion for a

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temporary restraining order and preliminary injunction, finding that, under the MNAA, only the employee's actual employer—not a parent company or related entity—may sign and enforce a noncompete tied to employment.

The court rejected the plaintiff-parent's arguments that corporate affiliation permits enforcement, emphasizing the statute's strict construction. That decision is now on appeal to the Massachusetts Appeals Court.[6]

Though neither case has been finally decided and, once decided, neither case will be binding authority, because MNAA case law is in its early stage of development, employers should audit existing noncompete agreements to assess compliance with the MNAA and assess the potential risk to enforceability based on the arguments made in *Boyd* and *Anaplan Parent LP*. Employers should also monitor *Boyd* and *Anaplan Parent* for developments in 2026.

The lawyers of our Labor, Employment, and Workplace Safety practice regularly counsel clients on the issues discussed herein and are well-positioned to provide guidance and assistance to clients on these significant developments.

FOOTNOTES

[1] Mass. Gen. Laws ch. 175M, §§ 1-11

[2] S. 1349, 194th Gen. Ct. (Mass. 2025).

[3] Mass. Gen. Laws ch. 149, § 24L.

[4] *Boyd et al v. The Boston Beer Company, Inc.*, No. 1:25-cv-13618 (D. Mass. Dec 1, 2025).

[5] *Anaplan Parent, LP and Anaplan, Inc. v. Timothy Brennan,* No. 2584-CV-02350 (Mass. Super. Ct. Sept. 11, 2025).

[6] *See Anaplan Parent, LP & another v. Timothy Brennan*, No. 2025-P-1239 (Mass. App. Ct. Oct. 14, 2025).

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