PLANT CLOSING REPORT
SUMMARY

After ten years of active struggle by the Massachusetts labor movement, culminating in 1983 in a demonstration at a plant closing hearing, Governor Michael Dukakis named a Commission and charged them with the responsibility of coming up with a solution to the "plant closing problem" in Massachusetts. He added validity to this commission by appointing six labor people to it and naming the Massachusetts AFL/CIO Secretary-Treasurer as Co-chairman. After one full year of public hearings across the state, 50 plus meetings of the Commission and untold research, the following agreement was reached by business, labor and government, and subsequently legislated into what is now known as the Plant Closing Law of Massachusetts.

It includes a voluntary compact between all businesses in Massachusetts and the state government that any business with over 50 employees must sign, in order to participate in any of the state's quasi public financing agencies (i.e. MIFA, Industrial revenue bonds, etc.). In this compact business agrees, in the event of a plant closing, to do whatever is practical and appropriate for their employees in terms of continuation of wages, advance notice of the closing, continuation of health benefits, re-training and job placement. Included in this compact is a statement from the State government which states "although this is a voluntary compact, the State deems 90 days to be a minimum term of notice of closing."

- Protection for the workers - It was not enough for labor to rely on a voluntary compact even with all the best intentions. It was labor's goal to protect the workers during this traumatic occurance - plant closing.

  A plant closing has been defined as cessation of at least 90% of a business employing 50 or more people.

  A partial plant closing would be covered in the same way as a total plant closing since it would impact the employees in the same manner.

- Guidelines will be established by the DES in consultation with the Mass. Industrial Policy Board (created by this legislation) to determine what partial closings do impact like full closings and, therefore, should be covered under this act.

  If in the event an employer is unable or does not give the full 90 days notice, the employee is still protected and will receive a supplement to his unemployment compensation bringing his pay up to 75% of his average gross weekly earnings offset by whatever he receives in unemployment compensation to a maximum of $97.00 a week supplemental benefit. The employee will receive this benefit for whatever portion of the 90 days suggested by the state that he or she does not receive notice All employees will receive, paid for by their employer,