



Firm News

We are thrilled to announce our firm name is now **Laredo, Smith & Kane, LLP**

Navigating Joint Employer Liability in Massachusetts

The Massachusetts Appeals Court recently affirmed that a management company providing comprehensive services to a car dealership qualifies as a “joint employer,” subject to potential liability for Wage Act violations. This ruling in *Tran v. Jennings Road Management Corp., et al.* sets a significant precedent for how joint employer status is determined under Massachusetts law.

Sakiroh Tran brought a class action lawsuit against Herb Chambers BMW & Mini of Boston (“Chambers”), where she worked as a parts advisor, alleging violations of the Wage Act for failure to pay overtime premium or Sunday premium pay. Tran also named Jennings Road Management Corp. (“JRM”), a management company contracted to provide various services to Chambers BMW, as a co-defendant. The dispute in this recent decision centered on whether JRM could be considered a joint employer of Tran’s, alongside Chambers, and thus liable for wage claims.

Traditionally, **employees pursue wage claims against their direct employer**, but the Massachusetts Appeals Court’s decision relied on the “totality of the circumstances” test established by the Massachusetts Supreme Judicial Court in the 2021 case *Jinks v. Credico (USA) LLC*

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Matthew Kane

Matt Kane and Payal Salsburg joined the firm’s leadership team to help drive future success.



Payal Salsburg

Payal Salsburg is recognized with an Outstanding Faculty Award by the National Business Institute.



Darshana Indira

Darshana Indira and Payal Salsburg moderated panels for the BBA’s Well-Being Week in Law.

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to conclude that *Tran* was in fact jointly employed by both the car dealership she worked for, as well as the management company owned and controlled by the dealership. In *Jinks v. Credico (USA) LLC*, the court evaluated whether the “joint employer”: (1) had the power to hire and fire employees; (2) supervised and controlled employee work schedules or conditions of employment; (3) determined rate and method of payment; and (4) maintained employment records.

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In *Tran*, the court noted that, while JRM did not directly handle hiring decisions or payroll distribution, it still exerted significant control over administrative functions crucial to employment conditions. This included managing human resources functions, legal compliance, training, and policy administration across multiple dealerships owned by Herb Chambers.



Importantly, JRM authored and enforced employee handbooks and policies, further solidifying its role in shaping workplace conditions.

This decision serves as a warning to Massachusetts employers who delegate administrative tasks to outside consultants or management companies. Even without direct involvement in core employment decisions like hiring and payroll, entities like JRM can still be deemed joint employers based on their substantial influence over workplace policies and practices. Therefore, employers should be careful when structuring relationships with third-party entities to manage administrative functions. It’s crucial to establish these relationships in a manner that mitigates the risk of joint employer liability. This includes clearly defining roles, responsibilities, and ensuring that control over employment-related matters remains clearly delineated.