



COMMONWEALTH OF MASSACHUSETTS  
ECONOMIC ASSISTANCE COORDINATING COUNCIL  
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

**Economic Development Incentive Program (EDIP) Definition of a “Permanent Full-time Employee”**

For purposes of the tax incentive program, a “permanent full-time employee”, is an individual:

(i) who, at the inception of the full-time employment relationship with the Recipient, does not have a termination date that is either a date certain or determined with reference to the completion of some specified scope of work (see M.G.L. c. 23, sec. 3A); **and**

(ii) who receives employee benefits at least equal to those provided to other full-time employees of the Recipient (see M.G.L. c. 23, sec. 3A); **and**

(iii) whose employer (the Recipient) is subject to the unemployment insurance laws *and* who is in employment that is also subject to the unemployment insurance laws (see M.G.L. c. 23A, sec. 3A; M.G.L. c. 63, sec. 31C; and M.G.L. c. 151A, sec. 1(h)); **and**

(iv) whose employment with the Recipient (i.e. his/her “entire service”) is performed in the Commonwealth. Upon consultation with EOHEC Legal, certain statutory exceptions to this rule may be applicable in unique situations (see M.G.L. c. 23A, sec. 3A; M.G.L. c. 63, sec. 31C; and M.G.L. c. 151A, sec. 3); **and**

(v) who has been paid by the Recipient during a taxable year an amount at least equal to the “unemployment insurance taxable wage base,” which is currently \$14,000. Note: The Legislature may amend the amount of the unemployment insurance taxable wage base in the future (see M.G.L. c. 63, sec. 31C; M.G.L. c. 63, sec. 38 and; M.G.L. c. 151A, sec. 14); **and**

(vi) who is compensated by the Recipient with wages, salaries, commissions, and any other form of remuneration paid to employees for personal services performed entirely within the Commonwealth (see section iv regarding statutory exceptions). The amount of such compensation must be includable in the “payroll factor” (a fraction that is the Recipient’s total compensation in a year [over] the total compensation everywhere in the Commonwealth) of the “income apportionment formula” that is used to calculate the Recipient’s taxable net income (see M.G.L. c. 63, secs. 31C and 38).