



KROKIDAS & BLUESTEIN LLP

## **Massachusetts Extends Volunteer Protections to Officers, Directors and Trustees Receiving Compensation of Not More Than \$500 Annually**

Section 85W of Chapter 231 of the Massachusetts General Laws (“Section 85W”) protects the officers, directors, and trustees of nonprofit charitable organizations from civil damages resulting from acts or omissions relating solely to the performance of their duties as officers, directors and trustees, except that such protection does not extend to acts or omissions that are intentionally designed to harm or to any grossly negligent acts or omissions. Until recently, this protection applied only to officers, directors and trustees who serve without compensation (other than reimbursement for actual expenses).

On November 20, 2024, Governor Maura Healy signed into law Chapter 238 of the Acts of 2024 (the “Act”). Among the numerous changes to state law made by the Act, Section 268 of the Act amends Section 85W to extend its protection to officers, directors and trustees who serve “without compensation in excess of \$500 per year.” This change will allow nonprofit charitable organizations to provide small stipends to such volunteers without jeopardizing the protections afforded by Section 85W, and may benefit organizations that want to make board service more appealing by offsetting some of the costs of transportation, childcare, and other costs that volunteers incur to attend board meetings and other board functions.

In order to preserve the protection previously afforded only to uncompensated officers and board members, many Massachusetts nonprofit organizations have provisions in their Bylaws or other organizing documents that prohibit compensation of officers and/or directors or trustees in such capacities. Organizations that wish to pay a stipend to officers, directors or trustees should confirm that such compensation of up to \$500 per year is not prohibited by their organizational documents and, if it is, amend their organizational documents accordingly.

If you have any questions about the amendment to Section 85W, how to amend organizational documents to take advantage of the updated law, or protections available to volunteers of Massachusetts nonprofit organizations, please contact Attorneys Elka Sachs, [esachs@kb-law.com](mailto:esachs@kb-law.com), or Eric Reustle, [ereustle@kb-law.com](mailto:ereustle@kb-law.com).