## State Lawmakers Pass Bill to Eliminate Annual Wage Notice Requirement

As of June 19, 2014, both the New York State Assembly and the New York State Senate voted to pass a bill (A08106C / S05885-B) to amend the New York Wage Theft Prevention Act to eliminate the annual wage notice requirement (the "Bill"). The Bill will become law if signed by Governor Andrew Cuomo.

Under the current law, New York employers are required to provide all employees with an annual wage notice before February first of each year, which includes information about the employee's rate of pay and the employer. The Bill would eliminate this annual notice requirement for employers as long as the same information is provided at the time of hire. The Bill does not change the existing requirements to provide wage notices at the time of hire and/or where changes to employee pay are made.

In addition to eliminating the annual wage notice requirement, the Bill would increase penalties for certain violations of the New York wage law. Specifically, employers who fail to provide a wage notice within ten business days of a new employee's first day of work, or fail to provide a wage statement as required by the law, would incur damages of \$50 per day (previously \$50 per week), up to a total amount of \$5,000 (previously \$2,500). An employer who is found to have retaliated against an employee in violation of the wage law could incur a civil penalty of up to \$20,000 (previously \$10,000).

Additionally, the bill requires employers who have previously committed wage theft, or whose violation is willful or egregious, to report certain employee and wage data to the Commissioner of Labor to be published online. The bill makes clear, however, that employers should not report or otherwise disclose individual identifying information of employees. The bill makes it harder to avoid liability via restructuring by making "an employer similar in operation or ownership to a prior employer who had previously committed wage theft" liable for acts of the prior employer. It also places increased burdens on contractors found liable for wage violations and sets up a Wage Theft Prevention Enforcement Account to help fund the administration and enforcement of the Wage Prevention Theft Act.

Employers should monitor the Bill and, if and when it is signed by Gov. Cuomo, take steps to adjust their payroll practices accordingly.

This post was authored by <u>Matt Lampe</u>, <u>Emilie Hendee</u>, and <u>Laura Jean Eichten</u> of Jones Day. The views and opinions expressed herein are those of the authors and do not necessarily reflect the views of Jones Day or the New York State Bar Association.

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