The Wage Theft Prevention Act (WTPA), which gives more protection to workers in New York State, took effect on April 9, 2011. Here are some key provisions of the law that employers need to know.

PUBLIC NOTICE OF VIOLATIONS

If an employer breaks certain parts of the law, the New York State Department of Labor may post the violation in a place where employees can see it for up to a year.

For a willful failure to pay all wages under this law, the New York State Department of Labor may post a summary of violations in a place where the public can see it, for up to 90 days. **It is a misdemeanor to remove or tamper with this notice without permission.**

ENHANCED RULES AGAINST RETALIATION

The WTPA extends the protections under Labor Law Section 215. It also gives the Department of Labor more power to enforce this law.

1. It was always illegal to discharge, penalize and/or discriminate against an employee who makes a complaint; threats are now included as a form of retaliation.
2. In the past, we could only cite employers for retaliation; now, it is illegal for any person within an organization/company to retaliate.
3. In the past, penalties for breaking this rule meant we could fine an employer up to $10,000. Now, the Department of Labor can order the employer or the person who acted against the employee to pay liquidated damages. The payment can be up to $20,000.
4. The Department of Labor may order the employer to reinstate the worker's job. The employer may have to pay the person for lost salary, or pay a lump sum in lieu of reinstatement.
5. Retaliation carries criminal penalties for employee complaints about any section of the labor law.
6. The protection applies to any worker who alleges that the employer has done something that the employee thinks breaks a labor law or an order issued by the Commissioner. This applies even if the employee is mistaken about the law, if they acted in good faith. It applies even if the employee does not cite a specific part of the labor law.
7. This law protects employees even if the employer incorrectly believes they made a complaint.

WRITTEN NOTICE

The law already required employers to give notice to employees of their wage rates at the time of hire. Now, the WTPA requires employers to give a written notice to each new hire. The notice must include:

1. Rate or rates of pay, including overtime rate of pay (if it applies).
2. How the employee is paid – by the hour, shift, day, week, commission, etc.
3. Regular payday.
4. Official name of the employer and any other names used for business (DBA).
5. Address and phone number of the employer's main office or principal location.
6. Allowances taken as part of the minimum wage (tip, meal and lodging deductions).
7. In the past, the notices were in English; now, the notice must appear both in English and in the employee's primary language (if the Department of Labor offers a translation).
8. Employers must have each employee sign and date the completed notice; employers must provide a copy to each employee.

9. If any data in the notice changes, the employer must tell employees at least a week before it happens unless they issue a new paystub that carries the notice. The employer must notify an employee in writing before they reduce the employee's wage rate. Employers in the hospitality industry must give notice every time a wage rate changes.

10. Employers that do not give notice may have to pay damages of up to $50 per day, per employee, unless they paid employees all wages required by law (This stops at $5,000 per employee in civil lawsuits filed by workers.)

11. PAYROLL RECORDS

Under prior law, some of the recordkeeping requirements were in the statute, while others were in the regulations. Now, the requirements are part of the law, which makes it easier for employers to understand their obligations. However, industry-specific regulations will still have some additional requirements. Employers must:

- Keep records for six years; records include the new notice and acknowledgment and payroll records
- Keep accurate records of hours worked by employees and wages paid; now, the law clarifies that employers must keep the records on an ongoing basis; the employer may not make up the records after the fact at the end of the week, month or year

For each week an employee works, the payroll records must contain:

- Hours worked (regular and overtime)
- Rate or rates of pay (regular/overtime)
- How the employee is paid – by the hour, shift, day, week, commission, etc.
- Pay at the piece rate must show what rates apply and the number of pieces at each rate
- Employee's gross and net wages
- Itemized deductions
- Itemized allowances and credits claimed by the employer, if any (tip, meal and lodging allowances or credits)

WAGE STATEMENTS

Under the new law, employers must:

1. Give each employee a wage statement or pay stub each payday that lists all of the above payroll data plus:
   - Employee's name
   - Employer's name, address and phone number
   - Dates covered by the payment
2. Give any employee who asks a written explanation of how they computed wages.

Employers that do not give wage statements may have to pay damages of up to $250 per day, per employee, unless they paid employees all wages required by law. (This stops at $5,000 per employee in civil lawsuits filed by employees.)

DAMAGES AND OTHER PENALTIES

The WTPA provides for higher penalties when an employer fails to pay the wages required by law:

1. Under prior law, liquidated damages only covered up to 25% of the unpaid wages. Now, the law provides for liquidated damages on up to 100% of the unpaid wages. Once the Department of Labor issues an Order to Comply, it includes 100% liquidated damages, as well as other civil penalties and interest.

2. If the violation is for other than wages, benefits or wage supplements, the Department of Labor may assess civil penalties for each violation. This means up to $1,000 for a first violation, $2,000 for a second, and $3,000 for third and subsequent violations.

3. If the Labor Commissioner has issued an Order to Comply against an employer who does not pay the money owed, then 10 days after the appeal period ends, the Department of Labor can require them to post a bond and/or provide a list of their assets. If employers fail to do so, the Commissioner may bring a court case against them. For failure to provide the list of assets, the Department of Labor may impose a penalty of up to $10,000.

4. The WTPA permits the Department of Labor to add 15% in damages to a judgment if the employer fails to pay in full within 90 days of the final Order to Comply.

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