

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Workforce

REVENUE: No revenue impact**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO:****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Matthew Germer, Administrator**Meeting Dates:** 3/9, 4/20

WHAT THE MEASURE DOES: Defines “wages” for certain wage claims. Requires employer to maintain time and pay records of terminated employee for three years from date of termination, to provide records to employee if requested, and to provide employee with written statement of reasons for termination. Modifies information that must be included in itemized statement provided to employee each pay period. Establishes civil right of action for certain wage claims for unpaid wages and for violation of certain wage statutes. Specifies procedures for establishing lien for amount of unpaid wages. Authorizes Commissioner of Bureau of Labor and Industries to void notice of lien if commissioner determines that employee has failed to establish prima facie case for wage claim. Prohibits waiver of rights. Prohibits determination by employer against employee for certain actions taken by employee related to wage claims.

ISSUES DISCUSSED:

- Need for wage theft legislation
- Impact on the economy
- Coordination with federal wage and hour laws
- Attorneys’ fees
- Record keeping
- Notice of reason for termination
- Lis pendens
- Piece rate, commission, and other non-hourly wage compensation

EFFECT OF COMMITTEE AMENDMENT:

(-6) Permits employer to issue statement regarding at-will employee’s termination. Specifies formula for calculation of civil penalties. Retains authority of court to award attorney fees to prevailing defendant. Modifies provisions related to wage withholding statements. Removes ability for employee to file a notice of lis pendens upon employer’s property. Adjusts provisions relating to damages.

BACKGROUND: Wage theft is the illegal withholding of wages or the denial of benefits that are rightfully owned to an employee. Wage theft can be conducted through various means, such as: failure to pay overtime, minimum wage violations, employee misclassification, illegal deductions in pay, working off the clock, or not being paid at all. These violated rights have been guaranteed to workers in the United States since 1938 by the Fair Labor Standards Act.

Senate Bill 718 establishes and specifies the process for a civil right of action for certain wage claims. The measure also requires employers to maintain time and pay records of terminated employees for three years from the date of termination, to provide employees with written statements for the reason of termination, and to provide records to employees if requested. The measure indicates which information must be included in an itemized statement provided to the employee each pay period.

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This summary has not been adopted or officially endorsed by action of the committee.

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