

KD Alert: New York Employers Given Relief From Annual Pay Notice Requirement

By Keith J. Gutstein, Esq. and Jennifer E. Sherven, Esq.
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Happy New Year! In the final days of 2014, New York Governor Andrew Cuomo signed a bill repealing a provision of the Wage Theft Prevention Act that required private employers to provide annual written notice (by February 1st) to all employees of their wage rates. Although the bill is not scheduled to go into effect until sixty (60) days after it is signed, which would be after the February 1st deadline, Governor Cuomo's approval memo specifically noted that employers are relieved of the annual notice requirement for 2015. In accordance with Governor Cuomo's execution of this bill, the New York State Department of Labor has advised that it will not require annual statements in 2015. This relieves employers of the burdensome process of issuing the annual pay notice to all employees.

However, employers should still provide pay notices to all new employees and each time an employee's pay rate changes.

Although the elimination of the annual pay notice requirement benefits employers, employers should be aware that the stated purpose of the bill is to provide additional protections to employees against wage theft. Therefore, among other changes, the bill increases the damages that can be recovered for violation of the law, provides that successor employers may be liable for the previous employers' wage theft, and provides that the top ten members of a limited liability company will be held personally liable for liability of the limited liability company. The penalty for employers that fail to provide the initial pay notice within ten (10) business days of an employee's first day of employment is increased to \$50 per day up to a maximum of \$5,000 (this is an increase from \$50 per work week up to a maximum of \$2,500).

If you have questions regarding the pay notice requirement, or would like assistance to ensure compliance, please contact one of the attorneys in Kaufman Dolowich & Voluck's Labor and Employment Group. Our firm provides employers with guidance in formulating and implementing employment practices and decisions to stay ahead of new and complex statutory regulations, and minimize their potential liability exposure.