

# AKO EMPLOYMENT LAW INSIDER

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*Attorneys and Counsellors at Law*

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ALERT

## NY Employers Beware: New Bill Signed into Law Quadruples Penalties for Wage Theft Violations

By Bennett Pine

**O**n December 13, 2010, New York Governor David A. Paterson signed into law a bill that multiplies penalties imposed on employers that violate wage and hour laws and don't properly keep records. The Wage Theft Prevention Act also further protects workers from retaliation. Violations that fall under the new law typically impact foreign-born and female workers and include paying employees less than minimum wage, not paying time-and-a-half for overtime, and forcing off-the-clock work.

Under the new law, workers will be able to recoup the money they are owed, plus a 100% penalty. The current law allows for just 25% in damages. Previously, even if caught, employers typically wound up paying little more than they owed, resulting in little pressure for employers to comply. New York now joins states like Massachusetts, Illinois and New Mexico as having the nation's strongest laws against employer wage theft.

In New York City alone, wage theft costs more than 300,000 workers \$18.4 million every week, adding up to nearly \$1 billion a year, according to a study by the nonprofit National Employment Law Project. Workers most affected include home- and child-care workers, dishwashers, food-prep workers, construction crews, cashiers, laundry workers, garment workers, security guards and janitors, the report said.

The law also facilitates the filing of complaints by removing technicalities that required whistle-blowers to cite specific sections of law that employers violated. It also allows for up to \$10,000 in penalties against employers who terminate or otherwise threaten workers who complain about wage violations.

The law, which goes into effect on April 12, 2011, follows on the heels of the New York Domestic Workers Bill of Rights, signed into law by Governor Paterson in August 2010. This law extended to domestic and home-care workers' workplace protections including overtime pay, days of rest, human rights law coverage and extension of disability benefits.

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New York employers should be aware of these enhanced wage-hour penalties and other compliance obligations and should begin making timely preparations in order to be in full wage-hour compliance by April 12, 2011.

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