

Employment Law Update for New York Employers

Effective April 2011, the New York Wage Theft Prevention Act ("WTPA") requires all employers to give written notice of the following information to their New York employees:

- 1. the employee's rate or rates of pay
- 2. the overtime rate of pay, if the employee is subject to overtime regulations
- 3. the basis of wage payment (per hour, per shift, per week, commission, etc.)
- any allowances the employer intends to claim as part of the minimum wage including tip, meal, and lodging allowances
- 5. the regular pay day
- 6. the employer's name and any names under which the employer does business
- 7. the physical address of the employer's main office or principal place of business and, if different, the employer's mailing address
- 8. the employer's telephone number

These details should be written up and given to any **new employee** upon hiring the employee (<u>before</u> the employee starts working), and the new employee should sign a statement acknowledging receipt of this information.

Employers are also obligated under the new law to issue a statement including the above information to **existing employees** at a minimum once a year between January 1 and February 1, and at any time upon a change in the employee's compensation conditions. If the notice is sent to an employee by email or by a formal letter, then it should be sent via delivery receipt requested so that there will be evidence that the employee has received the information.

The employer's obligation with respect to **existing employees** is an annual obligation which will need to be repeated each year, even if the employee's compensation terms do not change.

An employer who fails to abide by the above requirements may be required to pay (i) a fine to the State of New York of up to \$50 per week of violation, and (ii)) \$2500 directly to each employee who should have been issued the mandatory notice. Failure to abide by the new law may therefore cause an employer to incur unnecessary costs.

<u>Meira Ferziger</u> is the head of the labor and employment practice at Schwell Wimpfheimer & Associates and has significant experience in drafting policies, agreements, employee handbooks and guidelines in compliance with federal and state law. Meira functions as an integral part of the day to day operation of corporate clients by counseling them through their employment-related practices and decisions, and also advises clients as to employment issues that arise from corporate transactions, such as restructurings or acquisitions. She can be reached at meira@swalegal.com or at 646 328 0794.

This SWA publication is intended for informational purposes and should not be regarded as legal advice. For more information about the issues included in this publication, please contact <u>Meira Ferziger</u>. The invitation to contact is not to be construed as a solicitation for legal work. Any new attorney/client relationship will be confirmed in writing.