



HF 6 (MAHONEY)

WAGE THEFT PREVENTION & ENFORCEMENT

Minnesota workers deserve every penny in wages and benefits for time worked. But each year, more than over 39,000 workers face wage theft by their employers. House DFLers are working to prohibit wage theft so employers can't deny employees wages and benefits they have rightfully earned.

OVERVIEW

Wage theft takes many forms and affects millions of workers nationwide. In Minnesota alone, 39,000 workers are injured by wage theft each year, costing them \$12 million in lost wages.

The ways that employers engage in wage theft include the following. 1) paying workers less than the minimum wage, 2) failing to sufficiently pay workers for overtime, 3) not paying workers for prep time, 4) taking deductions for short breaks by workers, 5) requiring workers to work 'off the clock' and 6) deducting credit card fees from the tips earned by restaurant servers.

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The MN House DFL is committed to fighting wage theft in all its forms and ensuring that all MN workers receive 100% of the compensation they are entitled to. HF 6 makes several important changes to the law that provide greater protections for workers, and strengthen the ability for the Dept. of Labor & Industry (DOLI) to enforce laws prohibiting wage theft.

Following are some of the main provisions in the bill:

- Clarify the definition of wage theft in statute to explicitly include the failure to pay workers all wages to which they are entitled;
- Establish that wage theft is a gross misdemeanor when the employer underpays workers by \$10,000 or more;
- Authorize DOLI to issue citations to employers up to \$1000 when the amount owed to a worker is less than \$1000
- Authorize DOLI to issue subpoenas to obtain employer documents;
- Increase the penalties for employers that fail to maintain employment records or fail to submit employment records required by DOLI;
- Require employers to provide written notice to all workers when they are hired that contains information including, but not limited to, 1) their rate of pay and the basis thereof (e.g. hourly wage, weekly wage, annual salary, commissions), 2) paid vacation, sick time or other paid time off, 3) a list of deductions that may be made from the worker's pay, and 5) the dates when pay periods begin and end, as well as scheduled paydays;
- Require that wages are paid to workers least once every 16 days (31 days in current law);
- Provide funding to DOLI to increase the number of wage theft investigators, and to engage in outreach efforts to employers and workers.