



NEW YORK STATE SENATOR

Diane J. Savino

## Legislature Passes Historic Wage Theft Protection Act

DIANE J. SAVINO December 1, 2010

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*Groundbreaking legislation ensuring all workers receive fair pay*

(Albany, NY) The Wage Theft Prevention Act (S8380/Savino - A11726/Heastie), has now passed both houses protecting thousands of hard-working men and women from unscrupulous employers who steal their earnings by paying less than minimum wage, misclassifying them as independent contractors, forcing them to work off the clock and various other schemes. This important legislation will increase penalties and strengthen enforcement of laws

protecting workers from nonpayment and underpayment of wages.

Every day countless workers across the state face rampant abuse on the job. Recent studies have found that a large number of employees are illegally earning less than minimum wage, while others are being paid less than their agreed upon wage. Additionally, employees often do not receive the overtime pay they earn, and are left in the dark regarding their employers' methods for calculating wages and benefits.

The National Employment Law Project estimates that more than \$1 billion is stolen annually from NYC workers by unscrupulous employers. Advocates project that the WTPA would bring in approximately \$50 million in increased savings and revenues to help state government save valuable programs currently threatened by the fiscal crisis.

“Stealing from employees not only hurts families, it hurts communities. It also makes honest employers less competitive. Businesses that are good corporate citizens and promptly pay their employees what is owed them, as required by law, should not be at a disadvantage to companies that are illegally withholding wages from their workers. These rogue employers not only steal wages from hard-working families, they also steal much-needed funds from our taxpayers. I commend my colleagues in the Senate, Assemblyman Carl Heastie, Make the Road by Walking, and all the other advocates for defending the basic rights of New Yorkers, who are doing all they can to make ends meet during these difficult economic times,” said

Senator Diane J. Savino (D-Staten Island/Brooklyn) sponsor of the bill.

Senate Majority Conference Leader John L. Sampson said, "For decades, employees have seen their wages and overtime pay unfairly withheld by some unethical employers, and they have had little legal recourse. Fortunately, this legislation will change that. Senator Savino's bill ensures those who work get paid, fairly and equitably."

Deborah Axt, Deputy Director of Make the Road New York, added, "We are here to thank the Assembly and the Senate for their ground-breaking work to combat wage theft. We are well positioned to pass the Wage Theft Prevention Act this year, and call on the Governor to include the Wage Theft Prevention Act on the Special Session agenda this week."

"Wage theft is a real concern for retail workers across this city," added Stuart Appelbaum, President of the Retail, Wholesale and Department Store Union. "Every day, the wages of too many workers are stolen by employers who choose to ignore minimum wage, overtime pay and other labor laws. This important legislation will increase penalties and strengthen enforcement against low road employers and give workers the protections they need and deserve."

Under current law, there is little penalty for employers who violate wage requirements. Penalties for wage theft are so low that there is, in fact, a financial incentive to simply steal workers' wages. Responsible businesses can't compete when law-breaking employers are driving down pay rates.

The Wage Theft Prevention Act is a comprehensive bill which will increase penalties, increase protection of workers who speak up, as well as add additional enforcement tools that the Department of Labor and Courts can use to investigate cases and collect the money that workers are owed.

The Senate version, sponsored by Senator Savino, was passed in July and the Assembly passed this important legislation today.

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