



NEW YORK STATE SENATE DEMOCRATIC MAJORITY

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Senate Majority Strengthens Payroll Protections For Hard Working New Yorkers

(Albany, NY) The Senate Democratic Majority will today pass legislation strengthening payroll service protections for working New Yorkers. These bills address concerns that were raised due to the MyPayrollHr crisis that left thousands of hardworking New Yorkers without pay. The legislation establishes criminal penalties and liability for misappropriating payroll funds, empowers wronged employees to take civil action and receive tax credits, ensures employees' funds are not wrongfully withdrawn and launches a study into the payroll services industry.

“New Yorkers deserve the peace of mind that they will be paid for their hard work,” **Senate Majority Leader Andrea Stewart-Cousins** said. “The crisis caused by MyPayrollHr revealed gaping holes in payroll service policies and severely damaged our confidence in the entire payroll industry. The bills advanced by the Senate will help ensure greater oversight and accountability on this industry that millions of New Yorkers rely on to receive their paychecks. I applaud my colleagues for their swift action protecting workers and safeguarding against future payroll company-caused problems.”

The legislation introduced by the Senate Democratic Majority includes:

- **Protections Against Misappropriating Payroll:** This bill, [S.6725A](#), sponsored by Senator David Carlucci establishes criminal penalties for intentionally misappropriating payroll and payroll tax funds. This bill also allows companies to be held criminally liable for these crimes.
- **Payroll Company Accountability:** This bill, [S.6727B](#), sponsored by Senator Kevin Thomas allows employees who miss a paycheck due to the wrongful acts of a payroll processing company to hold that company liable for compensation up to three times the value of the paycheck.
- **Payroll Deductions Accountability:** This bill, [S.6726](#), sponsored by Senator Jessica Ramos clarifies that the recovery of wages due to a clerical error by the employer or vendor of the employer is prohibited if such clerical error did not result in an overpayment or another inaccuracy. This is to prevent employees from being affected in the situation where a company makes a clerical error harmful to the company, but the damage is inflicted on employee wages that were rightfully earned.
- **Insurance Study Bill:** This bill, [S.6728](#), sponsored by Senator Neil Breslin, requires the Superintendent of DFS in consultation with the Commissioner of the Dept. of Taxation and Finance to conduct a study regarding insurance or other risk mitigation tools and the payroll service providers and industry. DFS must also make recommendations to the legislature and Governor after conducting the study.

Chair of the Senate Consumer Protection Committee and bill sponsor, Senator Kevin Thomas, said, “Hardworking New Yorkers deserve to receive their paychecks on time. I was proud to help pass this legislation to ensure that our workers are better protected, and payroll companies like MyPayrollHR are held accountable

for their actions. The Senate Majority will continue to stand up for workers across New York and find ways to prevent incidents like these from happening again.”

Chair of the Senate Labor Committee and bill sponsor, Senator Jessica Ramos, said, “Bad actors are robbing hardworking New Yorkers of their money and dignity. By shifting the onus from employees to employers and payroll firms, our package of bills will get us closer to closing any and all loopholes corrupt employers have been using to defraud our workers. I thank Majority Leader Stewart-Cousins and my Senate Democratic colleagues for upholding our commitment to protect all New Yorkers.”

Bill Sponsor, Senator Neil Breslin, said, “Payroll service providers are trusted in delivering people their earned pay. The incidents surrounding MyPayrollHR had unacceptable negative consequences for thousands of people. This bill calls for a study to uncover if any best practices or risk mitigating tools are necessary to prevent future incidences from occurring.”

Bill Sponsor, Senator David Carlucci, said, “MyPayrollHR scammed numerous New Yorkers by reversing people’s paycheck’s and stealing their hard earned money. Families were left unable to pay their bills. In one case, a mother in New City was unable to make her son’s college tuition payment. This is despicable theft at the highest level, which is why I introduced legislation to ensure bad actors are held criminally responsible to the fullest extent of the law.”

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