

SENATE BILL REPORT

SB 5252

As Reported By Senate Committee On:
Labor & Workforce Development, February 25, 1999

Title: An act relating to wage claims and collection.

Brief Description: Creating a wage claims collection account.

Sponsors: Senators Fraser, Franklin, Kline and Prentice.

Brief History:

Committee Activity: Labor & Workforce Development: 2/23/99, 2/25/99 [DPS, DNPS].

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5252 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Kline and Wojahn.

Minority Report: Do not pass substitute.

Signed by Senator Hochstatter.

Staff: Jill Reinmuth (786-7452)

Background: State regulations, but not state statutes, require employers to establish regular paydays. An employer who hinders enforcement of minimum wage laws or pays less than the minimum wage rate is guilty of a gross misdemeanor. An employer who fails to pay a wage claim is subject to a civil penalty of 10 percent of that portion of the claim found to be due. The Department of Labor and Industries may enforce prevailing wage, minimum wage, and other wage payment laws, and prosecute wage claims. General fund appropriations are used to administer and enforce wage payment laws.

Summary of Substitute Bill: Employers must establish regular paydays that are at least once per month but may be at more frequent intervals. An employer may implement a payroll system in which wages from up to seven days before the regular payday may be withheld from the covered pay period and included in the next pay period. An employer may also enter into a written agreement as to the payment of wages at a future date.

An employer who hinders the enforcement of minimum wage rates, pays less than the minimum wage rate, or fails to pay wages due may be subject to civil penalties. An employer who discharges or otherwise discriminates against an employee for filing a complaint with the department may be required to reinstate the employee with back pay and interest. An employer who fails to pay a wage claim is subject to a civil penalty of 20 percent of that portion of the claim found to be due.

The department must enforce prevailing wage, minimum wage, and other wage payment laws, and prosecute wage claims. In particular, the department must:

- upon obtaining information that an employer may be violating prevailing wage, minimum wage, or other wage payment laws conduct an investigation;
- upon completing an investigation, issue a written determination, including findings of fact, as to the alleged violation;
- upon determining that a violation has occurred, order the payment of wages owed and interest; and
- when the director of the department judges that the claims are valid and enforceable in the courts, take assignments of wage claims and prosecute actions to collect wages, unless the worker cancels the assignment or prosecutes the action with the assistance of independent legal counsel or pro se.

Actions to collect wages must be brought within three years, unless a longer period of time applies under law.

The wage claim collection account is created. Penalties collected for violations of wage payment laws are deposited in the account, and are used to administer and enforce wage payment laws. The account is subject to allotment, but not appropriation.

With two exceptions, Chapter 49.48 RCW does not apply to public employees.

Technical corrections are made to correct cross-references and eliminate gender-specific terms.

Substitute Bill Compared to Original Bill: An employer who hinders the enforcement of minimum wage rates, pays less than the minimum wage rate, or fails to pay wages due may be subject to civil penalties. An employer who discharges or otherwise discriminates against an employee for filing a complaint with the department may be required to reinstate the employee with back pay and interest. An employer who fails to pay a wage claim is subject to a civil penalty of 20 percent of that portion of the claim found to be due. Actions to collect wages must be brought within three years, unless a longer period of time applies under law. With two exceptions, Chapter 49.48 RCW does not apply to public employees.

Appropriation: None.

Fiscal Note: Requested revised fiscal note on February 25, 1999.

Effective Date: Ninety days after adjournment of the session in which it is passed, except Section 12, which takes effect September 1, 2000.

Testimony For: The Department of Labor and Industries only enforces wage claims filed by people who have quit employment. People should not have to quit. People who work should get paid.

Testimony Against: None.

Testified: Senator Karen Fraser, prime sponsor (pro).