

House Research Act Summary

CHAPTER: 127

SESSION: 2005 Regular Session

TOPIC: Employer penalties for failure to pay wages or benefits

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Overview

This act increases the current statutory penalties for employers who fail to comply with several different provisions of law involving the payment of wages and benefits to employees who are migrant workers or who have to live away from home for the purpose of transitory employment.

Section

- 1 **Discharged employee must be paid within 24 hours.** Increases penalties for employers who fail to pay wages to certain employees within 24 hours after employment is terminated.
 - Minnesota law requires that, upon termination of employment that required an employee to live away from home, an employer must pay the employee any wages due within 24 hours of termination. If the wages are not paid within 24 hours, the employer is liable for the employee's reasonable expenses of remaining away from home.
 - Prior to the enactment of this bill, if the employer did not pay these wages within three days of termination, the employer was also required to pay the employee the employee's average daily wage from the time of termination until the time payment was made in full (but no longer than 15 days). Now, if wages are not paid within two business days, an employer is liable for *two times* the employee's average daily wage from termination until payment is made in full, regardless of how long it takes.
- 2 **Gross misdemeanor.** Reduces the time for employers to pay or provide benefits or wage

supplements due to employees. Prior to this act, failure to pay or provide benefits or wage supplements within 60 days after such payments are due was a criminal misdemeanor. Under this act, failure to pay within *30 days* is a criminal misdemeanor.

3 **Judgment; damages.** Increases from \$250 to \$500 the penalty for the following violations of migrant labor laws:

- employers who fail to comply with the terms of an employment statement provided to a migrant worker;
- employers who fail to comply with any statutory requirements for the payment of migrant workers; and
- employers who fail to pay wages to a migrant worker within the time period required by law (e.g., paychecks every two weeks, payment within three days after termination).

4 **Effective date.** Makes the act effective August 1, 2005. Section 2 applies to crimes committed on or after that date. Section 3 applies to causes of action arising on or after that date.