

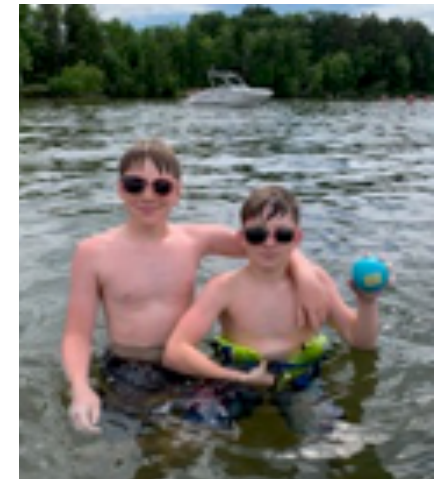
How Your Offer Letter Just Changed

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About Me

- Management-side Employment Attorney & HR Consultant
- Human Resources Officer for the U.S. Department of State in Jerusalem & Zambia
- Got the fancy letters
- Started tHRive Law & Consulting
- Adjunct Professor of HR Compliance at Mitchell Hamline
- Compliance doesn't always mean no
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What We're Going to Cover...

- Minnesota's "Wage Theft"
- How this changes your offer letter



Wage Theft Law

- August 2019
- No real substantive changes to wages
- Lots of new notice requirements
- Good offer letter
- Paystub compliance
- Tell employee in writing of wage increases
- Big penalties, including potential for criminal penalties



New Employee Requirements

- Employee's employment status & whether an employee is exempt from minimum wage, overtime & other state wage and hour laws, & **on what basis**
- Number of days in the employee's pay period & the regularly scheduled payday
- Date the employee will receive the first payment of wages



New Employee Requirements

- Employee's rate or rates of pay and the basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission or other method & the specific application of any additional rates
- Allowances, if any, that may be claimed for permitted meals & lodging
- Provision of paid vacation, sick time or other paid time off (PTO), how the paid time off will accrue and terms for its use
- A list of deductions that may be made from the employee's pay



New Employee Requirements

- Employer's legal name and the operating name, if different
- Physical address of employer's main office or principal place of business and a mailing address, if different
- Employer's telephone number



This Changes the Offer Letter

- Have the employee sign the offer letter
- If employees do not speak English, put a notice that it will be provided to them in another language if requested
- Notice to employee of the changes in writing

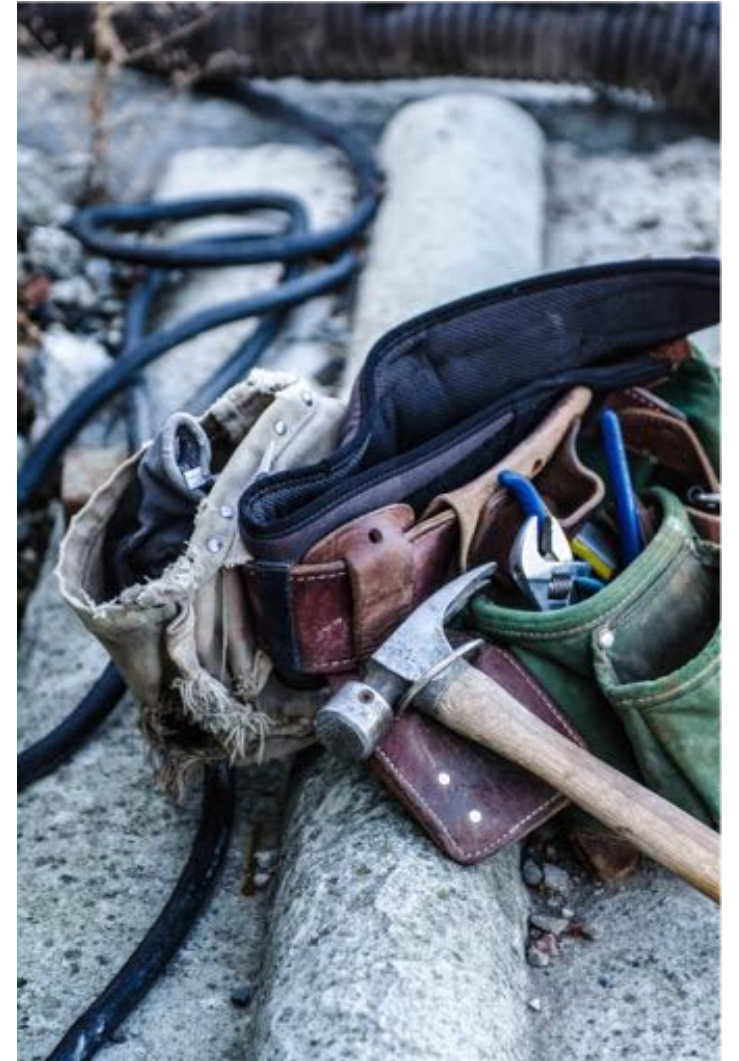


Paystub Changes

- Name of the employee
- Total hours worked by the employee in the pay period
- Employee's rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission or other method
- Allowances claimed for permitted meals and lodging
- Total amount of gross pay earned by employee in the pay period
- Net amount of pay after all deductions are made
- List of deductions made from the employee's pay
- Date pay period ended
- Employer's legal and operating name
- Employer's telephone contact
- Physical address of employer's main office or principal place of business and a mailing address, if different

Other Requirements

- Payment for wages must be made at least every 31 days
- Commissions every three months
- Records must be available within 72 hours
- Handbook acknowledgement from employees
- No retaliation for whole host of wage-related laws, including prevailing wage laws



If You Want to be a Criminal...

- Fails to pay an employee all wages, salary, gratuities, earnings or commissions at the employee's rate or rates of pay or at the rate or rates required by law, whichever is greater
- Directly or indirectly causes any employee to give a receipt for wages for a greater amount than that actually paid to the employee for services rendered
- Directly or indirectly demands or receives from any employee any rebate or refund from the wages owed the employee under contract of employment with the employer
- Makes or attempts to make it appear in any manner the wages paid to any employee were greater than the amount actually paid to the employee



Criminal Penalties



- Imprisonment for not more than 20 years, payment of a fine of not more than \$100,000 or both if the value of the wages stolen is more than \$35,000
- Imprisonment for not more than 10 years, payment of a fine of not more than \$20,000 or both if the value of the wages stolen exceeds \$5,000
- Imprisonment for not more than five years, payment of a fine of not more than \$10,000 or both if the value of wages stolen is more than \$1,000 but not more than \$5,000
- Imprisonment for not more than one year, payment of a fine of not more than \$3,000 or both if the value of the property or services stolen is more than \$500 but not more than \$1,000

Responsible Contractor Impact

- These new provisions are ADDED to potential violations under the Responsible Contractor Act
- If you violate, may not be considered eligible to do public work



Resource

- Department of Labor & Industry
Summary:
https://www.dli.mn.gov/sites/default/files/pdf/wage_theft_summary_employers.pdf



Takeaways

- No new substantive changes to the law
- Requires changes to notices provided employees
- Remember the purpose of the law – to make sure an employee can figure out their wages



Questions?



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