



NELA/NY — Summary Memorandum in Support of the “Wage Payment Integrity Act” (S4973/A5348)

NELA/NY, the local affiliate of the National Employment Lawyers Association, advocates for individual employee rights in New York through legislation and other activities, focusing on the unique challenges of New York employment laws. NELA/NY strongly supports the Wage Payment Integrity Act. The Act contains four critical protections in the fight to protect New York employees from wage theft:

Wage “kickbacks” prohibited: The Wage Payment Integrity Act clarifies that employers who illegally require employees to return part of their wages are subject to Labor Law Article 6’s civil remedies.

Withholding of earned severance pay or benefits prohibited: The Wage Payment Integrity Act clarifies that employers who withhold earned severance pay, benefits, and wage supplements are subject to Labor Law Article 6’s civil remedies even if they are not criminally liable.

Rebuttable presumption when employer fails to provide wage notice statement: The Wage Payment Integrity Act establishes a rebuttable presumption that the terms of employment presented by an employee are the agreed terms, in cases where an employer unlawfully fails to provide a wage notice statement required by Labor Law 195. This addresses the issue where employees cannot prove what their employers promised to pay them.

Definition of “wages” clarified to ensure that all promised wages, benefits, and wage supplements are paid: The Wage Payment Integrity Act clarifies that under Labor Law Article 6 employers must pay what they promised to pay or led employees to believe they would be paid for their work.

The Wage Payment Integrity Act will help prevent wage kickback schemes; ensure that employees receive all of the supplemental employment compensation that they are promised; create more transparency in labor markets; and ensure that employers who are honest and forthright are not disadvantaged compared to those who make misleading statements about what employees can expect to receive. This common-sense bill deserves the support of all New Yorkers.