



NEW YORK STATE SENATOR

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Senate Passes Bill to Repeal Massive Mandate on Business

STEPHEN M. SALAND March 7, 2012

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Wage Theft Prevention Act Is A Mountain of Costly, Useless Paper

The New York State Senate has passed legislation (S.6063A), sponsored by Senator John A. DeFrancisco, Chairman of the Senate Finance Committee, to repeal the notification provisions of the Wage Theft Prevention Act, a massive, costly mandate on every employer in the state.

“Other than costing businesses to lose countless hours and waste millions of dollars, this mandate has done nothing to help employees or create new jobs,” Senator DeFrancisco said. “We have to eliminate mandates like this to make New York more competitive so businesses can focus on growing and creating jobs rather than keeping track of more paper and paying fines if they don’t.”

The Wage Theft Prevention Act of 2010, which Senate Republicans opposed, includes a requirement that each year, a written notice on wages be provided by all private sector employers to all employees. There are seven different forms depending on the type of pay (hourly, salary, etc). The forms must be provided in the primary language of each employee. A written acknowledgement of the receipt of this notice must be obtained from every employee and maintained for six years.

Businesses face stiff fines for failure to comply with the wage, notice and record keeping requirements. The penalty of \$50 per employee could cost large employers thousands of dollars.

“Our priority has to be to create new private sector jobs and make our economy stronger,” Senate Majority Leader Dean G. Skelos said. “This law imposed a new cost on every business in the state. It was another job-killing measure passed by Senate Democrats who insisted on placing this onerous, duplicative and costly mandate on businesses. To strengthen our economy we have to get rid of mandates like this one and I hope the Assembly will also act on this bill.”

One employee benefit firm calculated that, with 7.3 million people employed in New York State, more than 51 million pages of paper are needed to comply with this law, or about 600 trees.

Heather Briccetti, President and CEO of The Business Council of New York State, Inc. said: "We applaud Senator DeFrancisco for his leadership in the fight to repeal this onerous, unneeded mandate on New York businesses. Fixing the Wage Theft Prevention Act will alleviate an unnecessary burden on employers and help counter the state's reputation for baseless, costly mandates."

Mike Durant, State Director of the National Federation of Independent Business, said: "Today's action in the Senate significantly reformed one of the most onerous mandates on small business. I applaud Senator DeFrancisco and Leader Skelos, as well as many of their colleagues on both sides of the aisle, for recognizing that the best way to promote job creation is to remove the barriers that have stifled New York's economy. NFIB now calls on the Assembly to act on this legislation to help small businesses across the state lower their significant costs and to repair New York's reputation as being "anti-business".

Brian Sampson, Executive Director of Unshackle Upstate said: “Unshackle Upstate thanks the Senate for voting to eliminate a burdensome component of the Wage Theft Prevention Act. We now ask members of the Assembly to follow the lead of the Senate and act quickly to pass this legislation. We look forward to working with the Governor and members of the Legislature to advance additional measures that will ease the regulatory burden on struggling businesses to stimulate private sector job growth.”

The bill was sent to the Assembly.