

HB 1112 -- MISSOURI WAGE PAYMENT AND COLLECTION ACT

SPONSOR: Peters

This bill established the Missouri Wage and Payment Collection Act. In its main provisions, the bill:

- 1) Requires employers in Missouri, other than the state or federal government, to pay certain employees twice a month. Wages of executive, administrative, and professional employees, and employees earning commissions are not subject to this requirement;
- 2) Authorizes employees of an employment or labor placement agency who receive wages daily to request their wages be paid weekly or semi-weekly. Employment or labor placement agencies that pay wages daily must provide written notice of an employee's right to request weekly or semi-monthly checks;
- 3) Requires that wages earned during a weekly pay period be paid not later than seven days after that weekly pay period. Wages earned during a semi-monthly pay period must be paid not later than thirteen days after that semi-monthly pay period. Wages earned by executive, administrative, and professional employees must be paid not later than three weeks after the pay period in which they were earned. Employers must pay workers on strike or layoff for all wages earned up to the time of the strike or layoff no later than the next regular payday. When an employee absent on payday must be paid is detailed in the bill. What form in which wages must be paid and to where are specified in the bill. The employer cannot designate a particular financial institution, bank, savings bank, savings and loan, or currency exchange for the exclusive payment or deposit of a check for wages. These wage payment requirements do not apply if there is a valid collective bargaining agreement with different requirements;
- 4) Specifies how and when final wages of a separated employee must be paid, and requires that, unless a collective bargaining agreement provides otherwise, employees must be paid for unused vacation time at their final rate of pay and with their final compensation;
- 5) Requires a mandated employer contribution to an employee benefit, trust, or fund which is based upon a given unit of wages to be treated as wages and subject to the Missouri wage payment and collection act;
- (6) Limits what deductions an employer can make from an employee's wages or final compensation, provides a process for settling a dispute over the legitimacy or amount of allowable deductions, and

specifies that an employee's acceptance of a disputed paycheck does not constitute a release as to the balance of the employee's claim;

(7) Requires an employer to notify a new employee, at the time of hiring, of the rate of pay, and the time and place of payment. Employees must be notified of any changes in the payment policies before the time of change. An employer must post an easily accessible notice of the provisions of the Missouri wage and payment collection law. Certain persons who knowingly permit an employer to violate the provisions of the wage and payment collection law will be deemed as employers for purposes of this law;

(8) Authorizes the Director of the Department of Labor and Industrial Relations to assist an employee or a class of employees in the collection of wages or final compensation;

(9) Authorizes the department to enter into agreements with other states to collect unpaid wages from out-of-state employers and to perform reciprocal services for the other state;

(10) Requires an employee to file a complaint for violations of the act within one year after wages, final compensation, or wage supplements were due. The department will review the complaint to determine whether there is cause to investigate;

(11) Specifies the powers and duties of the department regarding wage claims, including establishing an administrative procedure to adjudicate certain claims filed for \$3000 or less;

(12) Clarifies that an employee can still pursue his or her own wage claim. The complaint procedures and administrative remedies are not exclusive; additionally, prosecutors are not prevented by the act from prosecuting violations of the act without direction from the department;

(13) Requires the department to inquire diligently about violations of the act, to institute actions, and to generally enforce the provisions of the act;

(14) Authorizes an employee to file a claim with the department or a civil action in court for the amount of underpayment and damages of 2% of the underpayment for each month. In a court case, an employee also can get costs and reasonable attorney's fees.

(15) Specifies that an employer who willfully refuses to pay when required to do so or falsely denies the validity of the claim or the amount owed with the intent to retain the underpayment or to annoy, harass, delay, or defraud the employee is guilty of a class

B misdemeanor for a claim of \$5000 or less, or a class A misdemeanor for a claim of more than \$5000. Subsequent violations within two years of a prior criminal conviction under the act will be class D felonies;

(16) Requires an employer ordered to pay wages or final compensation under the act to pay a \$250 nonwaivable administrative fee. Other penalties for continuing violations are established (Section 290.653.7, RSMo);

(17) Creates the "Wage Theft Enforcement Trust Fund" to be funded by money collected under the act; and

(18) Prohibits an employer from discriminating against an employee that files a claim under this act. A violation of this prohibition will be a class C misdemeanor;

The bill also repeals three sections (290.080, 290.090, and 290.110) whose provisions are restated in the act, and provides that an employee in hiding is not entitled to the benefits of this act.