

D.C. Wage Theft Prevention Act Imposes New Notice and Recordkeeping Requirements on Employers

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SUMMARY

The District of Columbia's Wage Theft Prevention Amendment Act of 2014 ("the Act") – which became effective on February 26, 2015 – makes broad changes to D.C.'s wage and hour laws, including the Minimum Wage Revision Act, the Living Wage Act, the Wage Payment and Wage Collection Law, and the Accrued Sick and Safe Leave Act. Among other things, the Act increases penalties for employers who commit wage and hour law violations, provides anti-retaliation protections for workers, and establishes a formal administrative hearing process to address wage and hour complaints. The D.C. Department of Employment Services ("DOES") recently issued a notice (<http://tinyurl.com/DOESnotice>) summarizing the Act's key provisions.

Arguably the most significant new requirement of the Act for employers is its notice requirement. Specifically, the Act requires D.C. employers to provide a written notice to all employees that contains the following information:

- The name of the employer and any "doing business as" (DBA) names used by the employer;
- The physical address of the employer's main office or principal place of business, and a mailing address, if different;
- The telephone number of the employer;
- The employee's rate of pay and the basis of that rate, including:
 - Rate by the hour, shift, day, or week (whichever is applicable);
 - Salary, piece rate, or commission (whichever is applicable);
 - Any allowances claimed as part of the minimum wage, including tip, meal or lodging allowances;
 - Overtime rate of pay or exemptions from overtime pay (including identifying whether an exempt employee qualifies for the administrative, executive or professional exemption);
 - Living wage or exemptions from the living wage; and
 - Any applicable prevailing wages;
- The employee's regular payday designated by the employer.

DOES has issued a template notice (<http://tinyurl.com/DOESTemplatenotice>) for employers to use. The Act requires D.C. employers to provide the notice to all new hires **immediately** and to current employees by May 27, 2015. An updated notice must be provided to employees whenever there is a change in any of the information listed above (for example, a new notice must be provided if there is a change in the employee's rate of pay).

Employers are required to retain signed copies of the notice for each employee as proof of compliance with the Act. Employers who fail to comply with the Act's notice requirement are subject to civil fines of \$500 per employee.

To ensure compliance with the Act, employers should immediately begin providing all new hires with the DOES notice and begin preparing similar notices for all existing employees. Employers must ensure that existing employees receive copies of the notice by May 27, 2015. If employers are preparing to make changes in pay rates for any employees, they must begin preparing and using the required notice to indicate any such changes. Finally, employers must ensure that they keep copies of notices provided to employees as proof of compliance.

For more information about compliance with the Act, contact the authors or the Saul Ewing attorney with whom you usually work.

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