

Client Alert

Business Information for Clients and Friends of Shumaker, Loop & Kendrick, LLP

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New Notice Requirements and Penalties Added to St. Petersburg's Wage Theft Ordinance

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A few months ago, the City of St. Petersburg amended its "Wage Theft Ordinance" to include new notice requirements and penalties for employers. As detailed below, St. Petersburg employers will now be required to provide a special written notice to their employees at the time of hire and to place a poster in the workplace summarizing their employees' rights under the ordinance. Employers who fail to do so may be fined up to \$500 for each violation.

St. Petersburg's original Wage Theft Ordinance was enacted in April, 2015. Following the lead of other Floridian municipalities, this city law was intended to further protect employees working within the City from underpayment of wages. Specifically, the ordinance requires employers to pay wages "within a reasonable time" from when the employee performed the work and allows employees to file a complaint with the City for violations. Under the original ordinance, if a City hearing officer finds that an employer violated the ordinance, the employer is required to pay the employee's unpaid wages along with liquidated damages in an amount equal to double the unpaid wages, and attorney's fees. A few months ago, however, on December 15, 2016, St. Petersburg amended its Wage Theft Ordinance to include additional requirements and penalties for employers. Although the new requirements have not yet gone into effect, St. Petersburg employers should prepare for them now.

The amended Wage Theft Ordinance contains two new requirements for employers. First, at the time of hiring, the employer must provide to the employee a detailed written notice containing specific information as to how the employee will be paid (including the employee's rate of pay, rate for overtime, commission structure, any allowances claimed as part of the minimum wage, and more). You may obtain a copy of the notice <u>here</u>. The written notice must also enclose a "template summary," to be prepared by the City, which summarizes the employee's rights under the Wage Theft Ordinance. Employers are required to retain a copy of these notices for at least three years from the date of the employee's hire. Further, if any of the information in the written notice changes (such as the employee's rate of pay, etc.), the employer must notify the employee in writing of the changes within seven days. Employers who violate any of these new requirements may be fined up to \$500 per violation.

Second, in addition to providing the written notice described above, the employer must also place in a location "accessible to all employees" a poster, available from the City, which summarizes the employees' rights under the Wage Theft Ordinance. You may obtain a copy of the poster <u>here</u>. Similar to the written notice requirement described above, employers who violate this new poster requirement may be fined up to \$500 per violation. Client Alert | New Notice Requirements and Penalties Added to St. Petersburg's Wage Theft Ordinance

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Not only do the amendments to St. Petersburg's Wage Theft Ordinance place additional requirements on employers, but the amended ordinance now also applies to a broader scope of employees than the original ordinance did. Unlike the original ordinance, which only applied to employees working within the City, the amended ordinance now also applies to employees working outside the City when their work "benefits" an employer located within the City. This broader definition of "employee," coupled with the additional requirements set forth in the amendments, could mean that St. Petersburg employers will see an increase in the number of complaints filed against them under the Wage Theft Ordinance once its amendments go into effect.

As of the date of this Alert, it is unclear when the amendments to St. Petersburg's Wage Theft Ordinance will go into effect. According to the amendments, the new requirements will not become effective until 90 days after a community based organization has been selected to facilitate the implementation of the amended ordinance. Based on our research, this community based organization has not yet been selected. Nevertheless, as St. Petersburg's amended Wage Theft Ordinance will go into effect in the near future, we would encourage St. Petersburg employers to begin preparing now. Should you have any questions about St. Petersburg's Wage Theft Ordinance, the new requirements, or how you may prepare to comply, we are happy to help.

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