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Starting the New Year Right

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With the start of a new year comes new labor laws. With 2014 upon us, now is the time for employers to dust off their policies and ensure that they are in compliance with all applicable rules and regulations, both new and old. A little work now can mean substantial savings for your company later.

Minimum Wage Increase

Beginning December 31, 2013, New York State's minimum wage for most employees, including domestic workers, increased from \$7.25 to \$8.00. Importantly, this also increases the corresponding overtime rate to \$12.00 per hour. This is the first increase in a set of annual minimum wage increases set by the Department of Labor, with minimum wage to rise to \$8.75 by December 31, 2014, and \$9.00 by December 31, 2015. The increases in minimum wage also impact the allowances for tip credits, uniform maintenance pay and for meals and lodging under the applicable Minimum Wage Orders.

Also significant, the minimum salary requirement for certain exempt employees in New York has increased. As of December 31, 2013, the affected employees must be paid a minimum

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weekly salary of \$600.00 per week to maintain the exemption. That amount increases to \$656.25 as of December 31, 2014, and then to \$675.00 as of December 31, 2015.

All employers should post an updated minimum wage rate poster in a conspicuous place where it can be viewed by prospective and current employees. Click [here](#) to find the New York State Department of Labor minimum wage poster.

We encourage all employers to review their current policies and procedures to ensure that they are in compliance with all wage and hour obligations, including compliance with minimum wage and overtime laws.

Notice of Pay Rate

Employers are also reminded that they must give all employees a Notice of Pay Rate prior to February 1, 2014. This requirement applies equally to employees to whom forms were given in the previous year, even if there are no new changes to the prior year's notice. The notice must include;

- 1) rates of pay, including the overtime rate (if applicable);
- 2) how the employee is paid (i.e. by the hour, shift, day, week, or commission);
- 3) date of regular payday;
- 4) official name of the employer and any other names used for business (DBA);
- 5) address and phone number of the employer's main office or principal location; and
- 6) allowances taken as part of the minimum wage (tips, meal and lodging deductions).

The notice must be given both in English **and** in the employee's primary language (if the DOL offers a translation). Click [here](#) to find sample notices on the DOL's website.

We also take this opportunity to remind employers that in addition to the notice that must be distributed prior to February of each year, you are also required to provide notices to new hires and when there is a pay rate change that results in a reduction in the pay rate. An increase in pay does not require a new notice provided the new rate is set out in the employee's next wage statement.

In addition, because completion and distribution of the forms requires a determination of an employee's proper classification, we encourage all employers to take this time to review how their employees are classified and exemptions are determined. Misclassifying an employee can result in severe financial

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Mandatory Sick Leave in NYC

As of April 1, 2014, the Earned Sick Time Act (“ESTA”) requires most private employers in New York City to provide sick time to employees.

As of the effective date, full-time and part-time employees who work at least 80 hours in a calendar year will accrue one hour of sick time for every 30 hours worked, up to a maximum of 40 hours in that year.

Employers with 20 or more employees must provide *paid* sick time. Employers with fewer than 20 employees must provide *unpaid* sick time. As of October 15, 2015, the paid sick leave requirement will apply to employers with more than 15 employees. Those with fewer than 15 employees will continue to be required to provide unpaid sick time.

An employee shall be entitled to use sick time for absence from work due to:

- 1) physical or mental illness, injury, or health conditions, or for medical diagnosis treatment of preventative care;
- 2) care of a family member who needs medical diagnosis, care or treatment of a mental or physical illness, injury or health condition or who needs preventive medical care; or
- 3) during declared public emergencies or to care for a child whose school or childcare provider has been closed due to a public health emergency.

Sick time will begin to accrue upon the later of the commencement of employment, or April 1, 2014. An employee is entitled to use the earned sick time beginning on the 120th day following commencement of his or her employment or July 30, 2014, whichever date is later.

Affected employers are urged to review their existing sick time and leave policies to determine whether they are in compliance with the new standards established under ESTA, including the carry-over rules and rules expanding the reasons for permitted time off.

Please contact us for more information about how employers can ensure their compliance with these and other employment related laws or with any employment law related issue.

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