



# Examining practical HR issues business owners and managers encounter every day

# New Minnesota Law in Effect July 1, 2019!

Sometimes a new employment law pops up and takes us by surprise. Welcome to Minnesota's new Wage Theft Law that goes into effective in just weeks on July 1st and the penalties for non-compliance go into effective August 1st!

For the everyday business who treats its employees well, it's just a series of administrative processes we didn't need to add to our HR administration. However, according to MN legislature there are many companies who are not paying their employees properly – hence a Wage Theft Law.

I found one employment law firm, Nilan Johnson Lewis, who has explained our new requirements in detail. Here's a link nilanjohnson on wage-theft law.

The bottom line is that we are now required to create written Wage Notices, get employee signatures and place these documents in an employee's file at hire and any time there is a change in an employee's pay, time off accruals and/or methods, meal/lodging deductions or benefits, or related changes as described in the law.

Offer Letters: Since Wage Notices must be given and signed at hire, we must revisit our offer letters to ensure it includes: wages and how they're paid, exempt/non-exempt status including on what basis, the pay schedule (including number of days per pay period), deductions taken from pay, and more.

**Each Pay Stub:** This is a little more difficult, since most of us can't design the content of our pay stubs. However, these must now include the basis of pay (hourly, salary, commission, piece work, etc.), any meals or lodging allowances, and the employer's address and phone number. Contact your payroll provider asap. I'm sure you won't be alone in reaching out to them.

**Current Employees:** Based on what I've read, the Wage Notice does not have to be given to current employees, only those hired on or after July 1st. However, any subsequent change in the above (reference the longer lists on the links in this article), must be communicated in writing, signed and placed in employee files.

This means if someone moves from one level of PTO to another, receives a pay increase or change of any type, or if payrelated policies or processes change, each employee must receive a written notice of the change.

Any of your organizations moving soon? You will be required to update each employee's Wage Notice if your company name or address changes.

Do you have commissioned employees? Check the law in detail to understand your obligations.

My Property Management readers: My recommendation for those of you who provide rent as part of an employee's compensation, is that you contact your employment attorney for guidance on how to reflect this in the Wage Notice.

**Personnel Policies:** An interesting part of the law is that we are required to keep a list of the personnel policies, including the date the policies were given to the employee and a brief description of the policies. Certainly, using the table of contents is a starting point and it's easy to track when you've updated the handbook and shared that with all employees. But describing each policy is a unique requirement. We'll also need to track the distribution of new and updated singular policy changes.

I'm sure our MN employment law resources will be sharing more about this as employers dive into the nuances in the law. I'll keep you posted.

And let me know if I can help you develop these new systems. Sigh... While I definitely understand the need for some of this administration, I'm already tired just thinking about what this really means to our current practices.

If you're so inclined, here's a link to MN's Department of Labor and Industry's new law and their summaries: Wage Theft Law

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# **Supervising Smart Series 2019**

#### July 16 Session: Effective Employee Coaching and Performance Feedback

Our monthly training is the 3rd Tuesday of each month (except for September which is the 2nd Tuesday) from 10:00 am – 12:00 am at Hamline University's West End campus near the intersection of Highways 100 and 394.

The cost per session is \$70 per session. For more information and to register Click Here.

Here's the schedule. Hope to see you there!

8/20 Discipline and Documentation: A Strategic Approach

9/10 Dealing with Difficult Employees: A Manager's Conundrum

10/15 Resolving Workplace Conflict

11/19 Handling Employee Terminations

12/17 Delegation and Accountability

## **About Arlene Vernon**

Arlene has provided HR consulting and management training services to over 500 organizations since starting HRx, Inc. in 1992.

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