



Senate

General Assembly

File No. 261

January Session, 2015

Senate Bill No. 914

Senate, March 26, 2015

The Committee on Labor and Public Employees reported through SEN. GOMES of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING AN EMPLOYER'S FAILURE TO PAY WAGES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-68 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) If any employee is paid by his or her employer less than the
4 minimum fair wage or overtime wage to which he or she is entitled
5 under sections 31-58, 31-59 and 31-60 or by virtue of a minimum fair
6 wage order he [may] or she shall recover, in a civil action, (1) twice the
7 full amount of such minimum wage or overtime wage less any amount
8 actually paid to him or her by the employer, with costs and such
9 reasonable attorney's fees as may be allowed by the court, [and any] or
10 (2) if the employer establishes that the employer had a good faith belief
11 that the underpayment of such wages was in compliance with the law,
12 the full amount of such minimum wage or overtime wage less any
13 amount actually paid to him or her by the employer, with costs and
14 such reasonable attorney's fees as may be allowed by the court. Any
15 agreement between [him] an employee and his or her employer to

16 work for less than such minimum fair wage or overtime wage shall be
17 no defense to such action. The commissioner may collect the full
18 amount of unpaid minimum fair wages or unpaid overtime wages to
19 which an employee is entitled under said sections or order, as well as
20 interest calculated in accordance with the provisions of section 31-265
21 from the date the wages should have been received, had they been
22 paid in a timely manner. In addition, the commissioner may bring any
23 legal action necessary to recover twice the full amount of the unpaid
24 minimum fair wages or unpaid overtime wages to which the employee
25 is entitled under said sections or under an order, and the employer
26 shall be required to pay the costs and such reasonable attorney's fees as
27 may be allowed by the court. The commissioner shall distribute any
28 wages or interest collected pursuant to this section to the employee or
29 in accordance with the provisions of subsection (b) of this section.

30 (b) All wages collected by the commissioner for an employee whose
31 whereabouts are unknown to the commissioner shall be held by the
32 commissioner for three months and thereafter the commissioner may,
33 in his discretion, pay the same, on application, to the husband or wife
34 or, if none, to the next of kin of such employee. As a condition of such
35 payment, the commissioner or his authorized representative shall
36 require proof of the relationship of the claimant and the execution of a
37 bond of indemnity and a receipt for such payment. Notwithstanding
38 the provisions of section 3-60b, any such wages held by the
39 commissioner for two years without being claimed shall escheat to the
40 state, subject to the provisions of sections 3-66a to 3-71a, inclusive.

41 Sec. 2. Section 31-72 of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective October 1, 2015*):

43 When any employer fails to pay an employee wages in accordance
44 with the provisions of sections 31-71a to 31-71i, inclusive, or fails to
45 compensate an employee in accordance with section 31-76k or where
46 an employee or a labor organization representing an employee
47 institutes an action to enforce an arbitration award which requires an
48 employer to make an employee whole or to make payments to an

49 employee welfare fund, such employee or labor organization [may]
 50 shall recover, in a civil action, (1) twice the full amount of such wages,
 51 with costs and such reasonable attorney's fees as may be allowed by
 52 the court, [and any] or (2) if the employer establishes that the employer
 53 had a good faith belief that the underpayment of wages was in
 54 compliance with law, the full amount of such wages or compensation,
 55 with costs and such reasonable attorney's fees as may be allowed by
 56 the court. Any agreement between [him] an employee and his or her
 57 employer for payment of wages other than as specified in said sections
 58 shall be no defense to such action. The Labor Commissioner may
 59 collect the full amount of any such unpaid wages, payments due to an
 60 employee welfare fund or such arbitration award, as well as interest
 61 calculated in accordance with the provisions of section 31-265 from the
 62 date the wages or payment should have been received, had payment
 63 been made in a timely manner. In addition, the Labor Commissioner
 64 may bring any legal action necessary to recover twice the full amount
 65 of unpaid wages, payments due to an employee welfare fund or
 66 arbitration award, and the employer shall be required to pay the costs
 67 and such reasonable attorney's fees as may be allowed by the court.
 68 The commissioner shall distribute any wages, arbitration awards or
 69 payments due to an employee welfare fund collected pursuant to this
 70 section to the appropriate person.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	31-68
Sec. 2	October 1, 2015	31-72

LAB *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which requires, rather than allows, a court to award double damages for certain wage violations, does not result in any fiscal impact to the state or municipalities. Specifically, the bill is not anticipated to result in an impact to the Judicial Department as it changes the requirement for rulings involving private employers.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 914*****AN ACT CONCERNING AN EMPLOYER'S FAILURE TO PAY WAGES.*****SUMMARY:**

With one exception, this bill requires, rather than allows, a court to award double damages plus court costs and attorney's fees if it finds that an employer failed to (1) pay an employee's wages, accrued fringe benefits, or arbitration award or (2) meet the law's requirements for an employee's minimum wage or overtime rates.

Under the bill, the double-damage requirement does not apply to employers who establish a good-faith belief that their underpayments were legal. Such employers must, however, pay full damages, plus court costs and attorney's fees. Existing law also allows the labor commissioner to collect unpaid wages and payments or bring a civil suit on the employee's behalf.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 6 Nay 5 (03/12/2015)