

## E-ALERT: Maine Passes Law to Prevent Wage Theft



### Background

Wage theft means not paying employees all wages due in the pay period in which the work occurred. Under a new law effective September 18, 2019, Maine will carry employer penalties for wage theft violations. Violations as defined by The Pine Tree State include:

- Not providing timely and full payment of wages
- Not maintaining accurate payroll records
- Not providing accurate final payment when employment ends
- Arranging unfair agreements, such as working without compensation, certain wage deductions, or agreements to return compensation
- Not including fringe benefits as earned wages
- Ignoring minimum wage and overtime requirements

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## Penalties

- The Maine Department of Labor or any person directly harmed by wage theft, may seek a court order against the employer to stop wage theft. If the court rules in the suing party's favor, the employer is liable for the costs of suit, including reasonable attorney fees.
- If the Maine Department of Labor determines that an employer has committed wage theft, or the employer's practice or policy resulted in wage theft on more than one occasion within the previous 12 months, the Maine DOL may order an employer to cease business operations.

## Employer Next Steps

- Review your payroll practices and do a self-audit of your payroll records. Ask yourself these questions:
  - Are your nonexempt employees paid for all hours worked in the week they were earned?
  - Are overtime payments accurate?
  - Are all wage deductions correct and the required documentation in the employee's file?
  - Are final wage payments for employees correct?
- If you are a Full-Service or Virtual HR client and would like our assistance with **understanding this new law** please [email us](#).

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