

Talking Points on SB 237 (Wage/Hour Bill)

Source: Kircher, Suetholz & Associates

- 1) KRS 337.010 previously listed multiple types of employees such as employees involved in Agriculture who failed to meet the definition of employee for minimum wage, overtime and recordkeeping coverage. This bill deletes the reference to minimum wage, overtime & recordkeeping which means this group of employee's reference in KRS 337.010 would now be exempt from any coverage under Kentucky's Wage/Hour laws including such laws as withholdings from employees checks, rest periods, lunch periods, last pay check, vacation & sick leave pay, etc...
- 2) Changes the definition of Employer in KRS 337.010 to incorporate annual gross revenue of \$500,000 which means any employer who does less than \$500,000 will now be exempt from ALL of Kentucky's labor laws where currently the law exempt retail or retail service employees who does less than \$95,000 in gross sales from minimum wage, overtime and recordkeeping only. This is a huge change!
- 3) Changes definition of "employee" in KRS 337.010 to eliminate large groups of employees from application of all of Kentucky's wage/hour laws. It adds several groups of employees from FLSA (recreational employees, fish catchers, seamen, newspapers, agriculture, switchboard operators, babysitters, computer analyst, etc...)
- 4) KRS 337.060 (illegal deductions) – Eliminates the need for written authorization for any deduction and accepts express or implied agreements. NO authorization needed for breakage, cash shortages, defective workmanship, or lost/stolen property. The current statute states that you may never deduct without written authorization (except for taxes, SS and garnishments) and for breakage, cash shortages, defective workmanship or lost/stolen property you must not only have written authorization but you must also prove willful and intentional disregard of employer's interest before you may deduct.
- 5) Repeals tip pooling – Tips could be used to meet minimum wage where current law requires employers to pay at least \$2.13/hour in addition to any tips employees receive.
- 6) Repeals 7th day overtime
- 7) Repeals Leave of Absence for Adoptive Child
- 8) Statute of Limitations – Changes from 5 years to 2 years (or 3 years if willful)
- 9) KRS 337.355 (Lunch periods) – Employer can require waiver of lunch break (can be condition of employment). Current law requires mutual agreement from employee and employer r CBA to waive lunch break.
- 10) KRS 337.365 (Rest Periods) – Rest periods not mandatory if no co-worker is available to cover shift. Current law mandates rest periods.
- 11) KRS 337.295 –Kentucky's administrative regulations can't be more restrictive than FLSA (Fair Labor Standards Act).
- 12) KRS 337.990 (penalties for wage/hour violations). Eliminates separate offense penalties (such as per day, per employee penalties). Changes interest on illegal deductions from 10% to 5%.
- 13) No minimum wage for employees under the age of 20