

STATEMENT OF PURPOSE

RS25809

This would extend the time in which a claim for unpaid wages could be made to the Department of Labor (DOL), or in District Court, from the current six (6) month limitation to twelve (12) months.

Workers who have been paid, but not paid in full, are currently required to make a claim within six months. If the claim is not timely made, the action is barred, and the worker cannot recover unpaid wages. This extends the time period to make a claim to twelve (12) months.

This six-month limitation is unduly short and many workers may not be aware that wages are owed, or how to recover, within this short period of time. Federal law allows a two-year statute of limitations for unpaid wages.

The Idaho Department of Labor can investigate and recover claims of \$5,000 or less. If the claim exceeds that amount, the claimant is referred to a private attorney. The DOL currently has 980 open claims. Sixty percent of those are for partial unpaid wages. The DOL receives an average of six new claims each day. Many claims are denied, limited or not pursued because of the six-month limitation.

Current amount of unpaid wage claims with the Idaho Department of Labor is \$1.4 million. Through November, 2016, collections resulted in approximate recovery of \$435,000. December, 2017, alone saw \$31,000 collected for 81 claimants.

FISCAL NOTE

The fiscal impact is difficult to determine since Department of Labor staffing is customer driven. Workload could increase as much as 20 percent in the first year and could likely be absorbed by current staff. Claims would likely increase over time requiring additional staffing and housing for additional staff. Estimates of 1 to 1.5 FTE's to meet increased claims would range from \$53k to \$63k (salary and benefits per FTE).

Contact:

Representative Mathew W. Erpelding
(208) 332-1000

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).