

STATEMENT OF PURPOSE

RS26623

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 made timely, 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 Idaho Department of Labor currently has 916 open claims. Approximately 70 percent of these open claims are for partial unpaid wages or additional wages owed. The Department receives an average of six new claims each day. Current unpaid wage claims filed with the Idaho Department of Labor are estimated to be worth \$1.5 million (\$1,448,435). Through December 2018, collections resulted in an approximate recovery of \$373,340. During November and December of 2018, Department staff collected \$40,165 for 91 claims.

FISCAL NOTE

The workload for the Wage & Hour staff will increase, requiring additional staffing and operating costs. The estimated cost to the General Fund for 2 FTEs necessary to meet the increased workload is \$184,000 (\$124,800 for personnel and \$59,200 for operating costs).

Contact:

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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).