

Wage Recovery

Workgroup

Meetings



WRWG Meeting Arc

Fall
2024

Conduct
and
Present
Research

Invite
Experts

Discuss
Strategies
and
Solutions

Develop Initial
Recommendations

Spring
2025

L&I
Technical
Review

Address Minority
Considerations

Legislative
Update, as
Applicable

Summer
2025

Recommendation
Review

Report
Drafting

Fall
2025

Report
Revising
and Editing

Final Report Due
December 1, 2025



WRWG Fall 2024 Meeting Arc

Sep. 25, 2 hrs.

Intros/ Kickoff

Panelist
Intros

Legislative
Direction
Overview

Workgroup
Charter
Revisions

Future
Meeting
Scheduling

Oct. 21, 2 hrs.

Admin Overview

Charter
Approval

L&I Wage
Complaint
Process

L&I Agency
Authority in
Other
States

SU Law -
Collections
Overview

Nov. 6, 3 hrs.

Wage Recovery Options

SU Law -
Funds
Overview

Experts
(TBD)

Discussion/
Q&A

Nov. 20, 2 hrs.

Strategies & Solutions

Identify
Commonalities

Address
Objections


Analyze
Feasibility

Dec. 4, 3 hrs.

Initial Recommendations

Develop Initial
Recommendations



The background features a central glowing lightbulb with colorful scribbles (red, blue, yellow) inside. Surrounding it are various hand-drawn business-related doodles: a bar chart with arrows, a pie chart, a target icon, a sun, a clock, a coffee cup, a team of people, a plan, an idea, a power source, success, a web browser, a laptop, and a city skyline. The text 'Agenda For Today' is overlaid on the lightbulb in a large, dark blue font.

Agenda For Today



Washington State Department of
Labor & Industries

Worker Wage Recovery Work Group

MEETING

Oct. 21st, 2024

2:00 PM – 4:00 PM

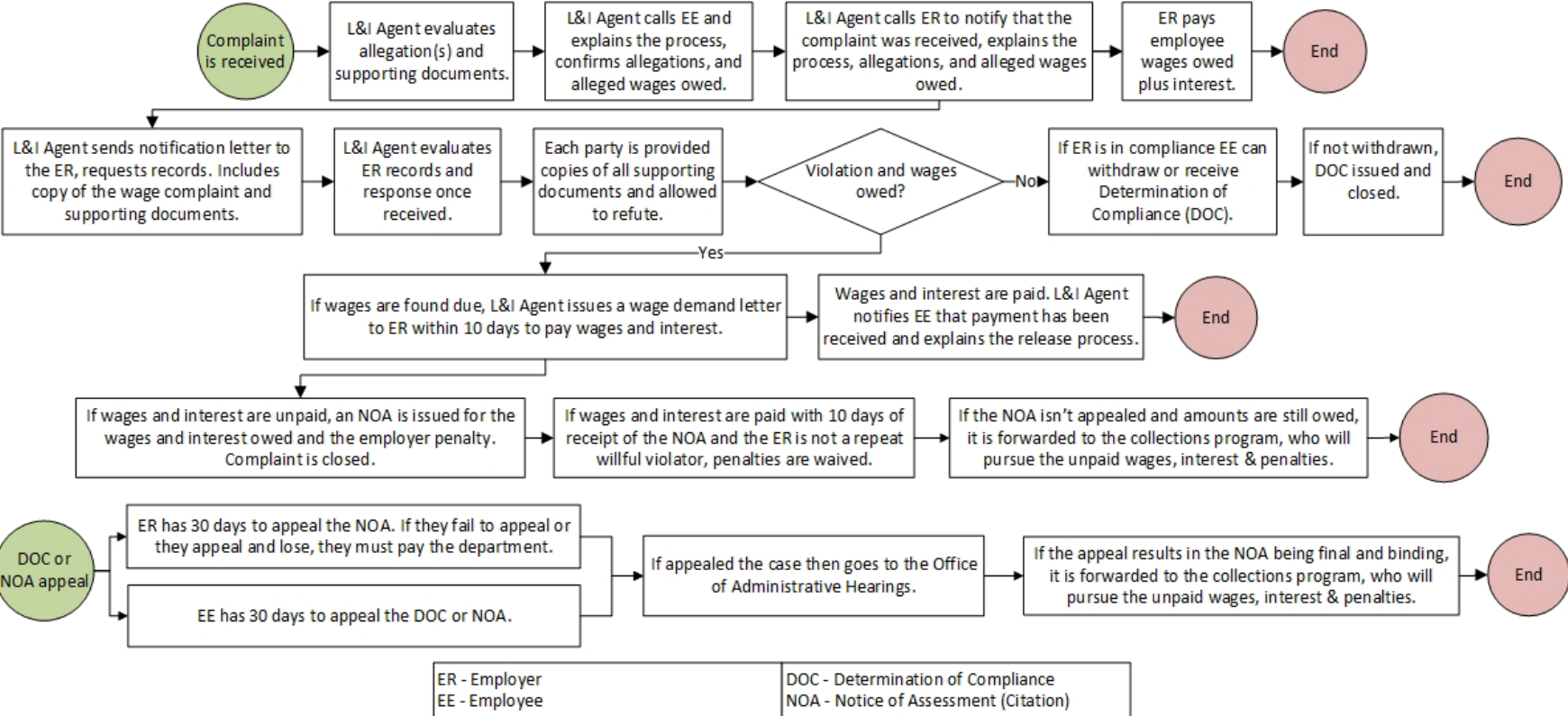
Overview of L&I Wage Complaint Process

- Individual worker complaints, L&I required to investigate all complaints.
- L&I to complete investigations within 60 days, can be extended for good cause.
- L&I may assess a civil penalty for the employer:
 - Employer violation was “willful”
 - knowing and intentional action that is neither accidental nor the result of a bona fide dispute, as evaluated under the standards applicable to wage payment violations under RCW 49.52.050(2).
 - Not less than \$1,000 or 10% of the total amount of unpaid wages, whichever is greater.
 - L&I must waive if the employer is not a repeat willful violator and they pay all wages and interest owed within 10 days of the receipt of the Notice of Violation
 - L&I can waive or reduce if employer paid all wages and interest owed
 - Penalties deposited in the Supplemental Pension Fund

Overview of L&I Wage Complaint Process

- Statute directs L&I to complete wage complaint investigations within 60 days.
 - May be extended for good cause.
- Data on time to complete.
 - Complete is inspection is resolved or citation is issued.
 - Otherwise resolved

L&I Complaint Process Flow

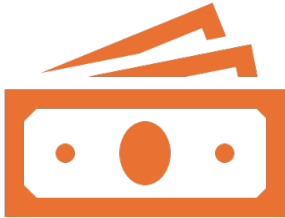


ER - Employer
 EE - Employee
 DOC - Determination of Compliance
 NOA - Notice of Assessment (Citation)



Collection Tools Available

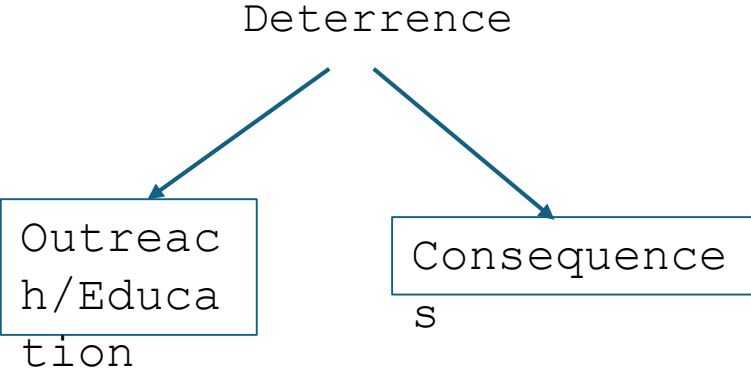
Why Start with This?



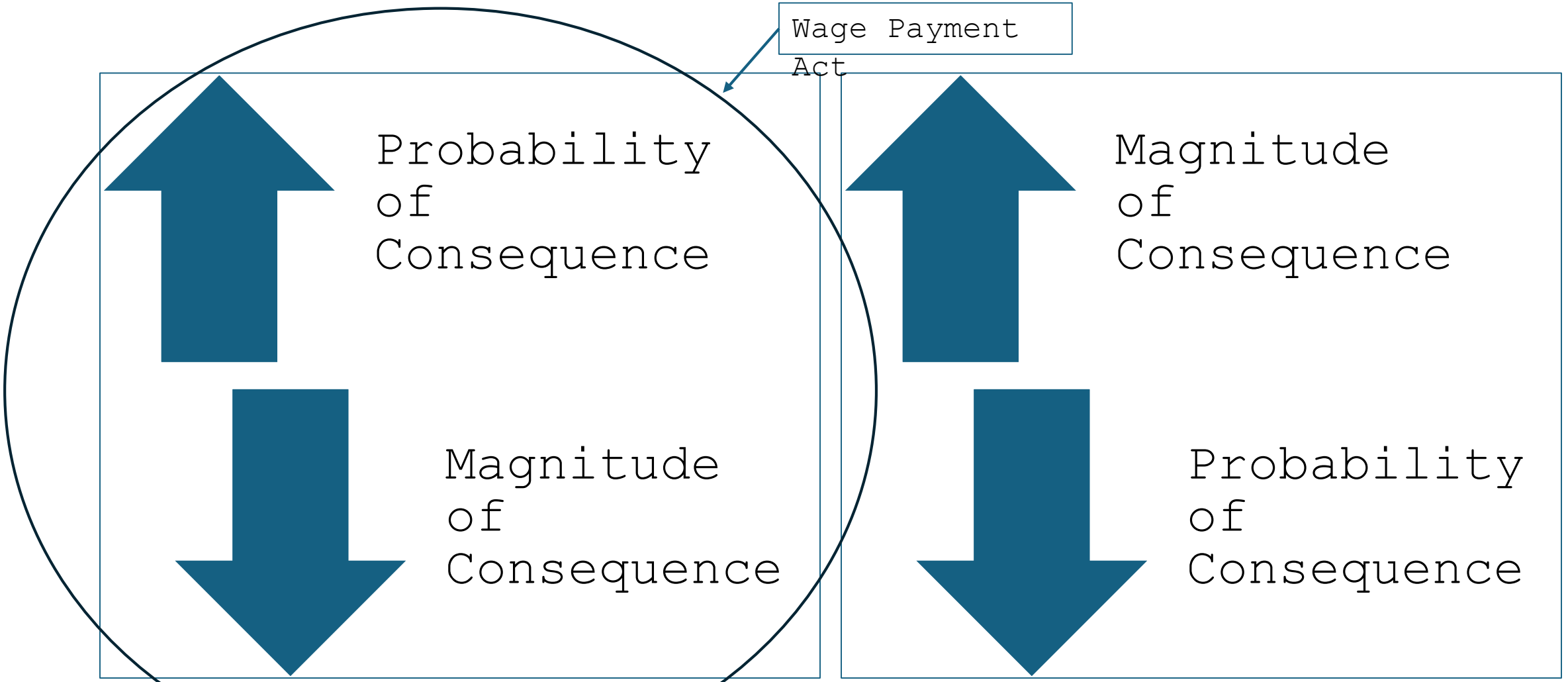
Viability of Wage Recovery Solutions Depends on the Ability to Collect Unpaid Wages



Avoiding Additional Pressure on State Funding



Deterrence – Two Ways to Get There



See Daniel Galvin, *Deterring Wage Theft: Alt-Labor, State Politics, and the Policy Determinants of Minimum Wage Compliance*, 14 PERSPS. ON POL. 324, 339 (2016); Nicole Hallett, *The Problem of Wage Theft*, 37 YALE L. & POL'Y REV. 93, 136 (2018)

WA Collection Tools - Wage Payment Act



Warrants and Liens



Garnishment



"Hold and Deliver"



"Hold and Deliver" Financial Institution



Department Civil Action



Successor Liability



Reciprocal Enforcement with Other States

Analogous Collection Tools in Other States



Basic Commonalities

- Administrative Hearings
- Taking Assignment
- Collecting wages, interest, and penalties.



Civil Actions

- Most states allow civil actions, but there are procedural differences.
 - Arizona – recovery of more than \$5,000 requires civil action; eligible for treble damages



Warrants and Liens

- Some states have cap on recovery
 - Wisconsin – \$3,000
- Procedural rules vary
 - Alaska – first priority if filed within 90 days
 - New Hampshire – final order is a lien on property in the state for 3 years.

Different Collection Tools in Other States



Stop Order

- Bond required to conduct business if final judgment is unpaid
- California, Hawaii, New York



Business License Suspended/Denied

- Washington, D.C. – Business license suspended for noncompliance, denied for willful violation



Collections Incentives

- Fines
 - Colorado compliance fines
 - Washington, D.C. – willful vs. negligent violations
- Criminal Charges
 - Felony charges – Colorado, Illinois, and New York
 - Imprisonment – Alaska, New York