

New Wage Deduction Regulations Finalized by New York State Department of Labor

On October 9, the New York State Department of Labor's final wage deduction regulations took effect. Those regulations are codified at 12 N.Y.C.R.R. 195, and are available [here](#). The final regulations are very similar to the proposed regulations issued in May 2013, but include a few new clarifications.

Our May 2013 alert that described the proposed regulations in detail is available [here](#), and our September 2012 alert regarding the changes to the wage deduction law itself is available [here](#). Please review those alerts for additional information regarding the changes to the New York wage deductions law.

Changes in Final Regulations

Notable clarifications in the final regulations include:

- 1) A single written authorization that authorizes more than one deduction is permissible as long as all of the information required by the regulations is provided.
- 2) For the purposes of calculating time frames in the regulations, the word "days" refers to calendar (not business) days, and a "week" is seven consecutive days.
- 3) Regarding deductions for wage advances, the proposed regulations stated that the employer could recover advances no less often than each wage payment. The final regulations differ, and explain that an employer can recover advances no more often than each wage payment.
- 4) Employers seeking to make deductions for overpayments or wage advances must institute a dispute resolution procedure (as we described in detail in our May 2013 alert). The final regulations note that any dispute resolution provisions in existing collective bargaining agreements that provide at least as much protection to the employee as those described in the regulations satisfy this requirement. Equally protective dispute resolution procedures in future collective bargaining agreements must specifically reference the applicable dispute resolution section of the final regulations to be permissible.

Actions for Employers

With the new regulations now in effect, New York employers should:

- 1) Review the new permissible deductions for the benefit of the employee and determine which (if any) you wish to provide to your employees.
- 2) Review the requirements for making wage deductions for overpayments and wage advances, and determine whether the benefits to the organization outweigh the administrative hurdles contained in the regulations.
- 3) Implement dispute resolution procedures for deductions made for overpayments and wage advances and prepare new notice/authorization forms for these deductions that comply with the regulations (if you wish to make deductions in these areas).
- 4) Ensure that all deductions currently being made from employee wages are permitted by Section 193 of the Labor Law and the final regulations.
- 5) Revise all wage deduction authorization forms to ensure that they comply with the requirements contained in the regulations.

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