



Wage Theft

WASHINGTON STATE LABOR COUNCIL, AFL-CIO
2014 LEGISLATIVE FACT SHEET

The most basic assumption workers make when they show up to a job is that they will get paid for the time they spend working. But this doesn't happen for thousands of workers across Washington state. **Far too many workers are denied the fair wages they've earned for their labor, and their unscrupulous employers avoid paying the taxes, workers' compensation contributions, and unemployment insurance premiums that are owed.** These revenues are necessary to ensure that K-12 education is funded, and that injured workers heal and return to their jobs. Most businesses play by the rules, but those that choose to cheat the system and their employees make it harder for good corporate citizens to compete, and create jobs.

By taking a stand against wage theft, the State Legislature can level the playing field for responsible employers, ensure workers get what they've earned, and shore up the state's troubled General Fund. Washington's working families support the passage of four bills that will equip workers with the tools they need to rebuild the middle-class:

Workplace Fraud (HB 2334)

Misclassifying workers as independent contractors is workplace fraud. This is how some businesses avoid paying the taxes and insurance premiums that protect everyone. By establishing a simple, three-part test, the State Legislature can make it clear who is a traditional employee and who is a *bona fide* independent contractor, so that true employees are no longer misclassified and cheated out of protections or pay:

- The person is, and will continue to be, free from control or direction over the performance of the labor or service;
- The labor or service is outside the usual course of businesses for which the service is performed, or the service is performed outside of the places of business of the purchaser;
- The individual is customarily engaged in an independently established trade.



This bill will ensure that revenue owed to the public is paid, while protecting the independence of true independent contractors and sole proprietors — like lawyers, doctors, real estate agents and home-based sales people.

(CONTINUED ON REVERSE)

Electronic Certified Payroll (HB 2331)

When the state pays for public construction, it expects that the workers are paid the local prevailing wage for the kind of work they are performing. Currently, contractors certify their wages only after the project is complete. Sometimes, contractors from out-of-state don't pay the lawful wage, but by the time it is discovered, the contractor has already left Washington and the owed wages cannot be recovered. By requiring timely, electronic certified payroll reports, the state will make it easier for workers to verify they are being lawfully paid.



Triple Damages (HB 2332)

Bad employers shouldn't be able to get away with stealing wages from their workers. By demanding that these unscrupulous businesses pay triple damages, the Legislature can send a strong message that this kind of theft will not be tolerated.

Retaliation (HB 2333)

While most employers do their best to pay workers lawfully—or quickly remedy problems when they are identified—certain bad actors do not pay what is owed even when presented with evidence showing the shortfall. Even worse, **some employers will retaliate against workers seeking the wages they earned by cutting hours, terminating employment, or threatening immigration-related actions.** This is amoral and unacceptable, yet there are few protections in state wage-and-hour laws to protect workers from such actions. That is why it is so important that the Legislature adopt anti-retaliation legislation to protect workers who try to get paid what they have earned.

THE STOP WAGE THEFT COALITION INCLUDES:

Alliance for Just Society
Bricklayers & Allied Craftworkers
Local #1-WA
Casa Latina
Colectiva Legal
Columbia Legal Services
Faith Action Network
IBEW Local 46
International Union of Painters and
Allied Trades District Council 5
Mark Law Offices
National Employment Law Project

Northwest Justice Project
Northwest Floor Covering Industry
Association
NW Laborers
One America
Progresso Latino
Puget Sound Sage
SEIU 775
SEIU Healthcare 1199NW
Sheet Metal Workers
Teamsters Joint Council 28
Teamsters Local 117

United Food and Commercial Workers
Local 21
Unite Here Local 8
UA (Plumbers and Pipefitters) Local 32
United Farm Workers
Washington State Building and
Construction Trades
Seattle Building & Construction Trades
Washington State Labor Council,
AFL-CIO
Washington State Nurses Association
Western Washington Signatory
Painting Employers
Working Washington

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