

Wage Theft



The Office of the
Minnesota Attorney General
helping people afford their lives and live with dignity, safety, and respect

What Is Wage Theft?

Wage theft occurs any time an employer does not pay an employee everything the employee is owed by law.

Nationally, employees are underpaid by as much as \$50 billion dollars each year due to wage theft. No group of workers is immune from wage theft, but low-wage workers are particularly vulnerable. Wage theft can take as much as 10% of a low-wage worker's annual earnings.

Common Forms Of Wage Theft

Wage theft can take many forms, including:

Paying Less Than the Minimum Wage

In Minnesota, workers are generally entitled to \$10 per hour if they work for a large employer and \$8.15 per hour if they work for a small employer. Some cities, such as Minneapolis and St. Paul, provide higher minimum wages. Employers who pay less than the minimum wage are committing wage theft.

Not Paying Overtime

In most cases, federal law requires most employers to pay hourly workers overtime wages after 40 hours. In limited circumstances, federal law may not apply. When this is the case, Minnesota law requires employers to pay hourly workers overtime wages after 48 hours. Not paying overtime is wage theft.

Requiring Employees to Work Off-the-Clock

For example, some employers require workers to clock out and then perform additional unpaid work such as cleaning. Another example is when a worker takes an unpaid meal break (which they are entitled to under the law) but is then required to work through the break without being paid. These practices are wage theft.

Not Paying Final Wages

Sometimes employers simply don't pay workers their final wages when they are fired or voluntarily ended their employment. This is wage theft.

Unauthorized Deductions from Paychecks

Sometimes, an employer may deduct wages from an employee's paycheck for lost, damaged, or stolen property or for some other claimed indebtedness. This practice is wage theft unless the worker has authorized, in writing, their employer to make that deduction.

Worker Misclassification

Some employers attempt to avoid legal obligations to workers by classifying them as independent contractors. Employers misclassify workers as independent contractors in order to avoid paying minimum wage or overtime. Misclassifying workers also allows employers to dodge other obligations like making contributions to Minnesota's Workers' Compensation or Unemployment Insurance programs. This practice is pervasive in many industries and is wage theft.

Stealing Tips

Some employers commit wage theft by stealing employee tips. This can mean crediting the tips an employee receives toward the minimum wage, which is illegal in Minnesota. It can also mean pooling tips and using those tips to supplement the wages of untipped employees. It can also be as simple and direct as an employer taking tips from a tip jar. These practices are wage theft.

Minnesota's Wage Theft Law

In 2019, the Minnesota Legislature passed a wage theft law strengthening Minnesota's legal protection for workers. The law includes:

Civil Protections

- The Minnesota Attorney General's Office can now enforce Minnesota's wage-related laws along with the Minnesota Department of Labor and Industry ("DLI"). This new authority also extends to some laws that DLI does not have authority to enforce, such as the Equal Pay For Equal Work Law.

- Employers must give additional information to employees in a written notice when they start work, including (but not limited to): rate and method of pay; a list of personnel policies provided to employees; description of paid leave; salary status; a description of the regular pay period; and the legal name of the employer; the address of the employer's main office.
- Employers must provide employees written notice of changes to how they are paid.

Minnesota Department of Labor and Industry
 443 Lafayette Road North, St. Paul, MN 55155
 (651) 284-5070 or (800) 342-5354
www.dli.mn.gov
dli.laborstandards@state.mn.us

Federal Regulator

The United States Department of Labor is the federal agency with authority to enforce federal wage-related laws. The Department can be contacted at:

United States Department of Labor
 Wage and Hour Division
 Tri-Tech Center, Suite 920
 331 Second Avenue South, Minneapolis, MN 55401
 (612) 370-3341 or (866) 487-9243
www.dol.gov

Private Claims

In most cases, employees can bring their own cases in court to address wage theft issues.

Southern Minnesota Regional Legal Services
 St. Paul Central Office
 400 Alliance Bank Building
 55 East 5th Street, St. Paul, MN 55101
 (651) 222-9823 or (888) 575-2954
www.smrls.org

Central Minnesota Legal Services
 430 First Avenue North, Suite 359
 Minneapolis, MN 55401
 (612) 334-5970
www.centralmnlegal.org

Mid-Minnesota Legal Aid
 111 North 5th Street, #100, Minneapolis, MN 55403
 (612) 334-5970
www.mylegalaid.org

Volunteer Lawyers Network
 600 Nicollet Mall, Suite 390A, Minneapolis, MN 55402
 (612) 752-6677
www.vlnmn.org

National Employment Lawyers Association
 Minnesota Chapter
 (612) 256-3220
mn-nela@mn-nela.org

Criminal Protections

- Wage theft is now a crime when an employer intentionally fails to pay an employee wages.
- Depending on how much an employer has stolen from employees, that employer can be charged with a felony and sentenced up to 20 years in prison and fined up to \$100,000 if convicted.

Who To Contact If You Have Experienced Wage Theft

If you are a victim of wage theft, there are numerous organizations that may be able to help:

State Regulators

The Attorney General's Office has broad authority to investigate violations of Minnesota's wage-related laws. The Attorney General's Office can be contacted at:

Office of Minnesota Attorney General Keith Ellison
Wage Theft Unit

445 Minnesota Street, Suite 1400, St. Paul, MN 55101
 (651) 296-3353 (Twin Cities Calling Area)
 (800) 657-3787 (Outside the Twin Cities)
 (800) 627-3529 (Minnesota Relay)
www.ag.state.mn.us

The Minnesota Department of Labor and Industry is the state agency with authority to investigate violations of and enforce many of Minnesota's wage-related laws. The Department can be contacted at: