

STATE OF NEW YORK

4473

2025-2026 Regular Sessions

IN SENATE

February 5, 2025

Introduced by Sens. RAMOS, HOYLMAN-SIGAL, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to liquidated damages for labor law violations

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short Title. This act shall be known and may be cited as
2 the "labor law enforcement parity act".

3 § 2. Legislative Findings. 1. The legislature finds and declares that
4 it has always been its intention that the remedies provided under the
5 labor law be fully and equally enforceable in both state and federal
6 court. However, some state courts have misconstrued the liquidated
7 damages available for violations of the labor law as penalties, despite
8 the fact that the legislature amended the labor law's liquidated damages
9 provision in 2009 and 2010 to bring it in line with the compensatory
10 purposes of the Fair Labor Standards Act's liquidated damages provision.
11 As a result, while employees have been able to recover the full amount
12 of compensatory liquidated damages owed to them in federal court
13 actions, they are not always able to do so in state court actions.
14 Accordingly, the first purpose of this bill is to clarify that all
15 liquidated damages available for violations of the labor law, which are
16 generally an amount equal to the unpaid or underpaid wages, are compen-
17 satory in nature and not penalties.

18 2. The legislature further finds and declares that both federal and
19 state courts have recently misconstrued the purposes of New York Labor
20 Law § 195. Despite allowing claims for violations of the labor law's
21 wage notice and wage statement provisions to proceed for years, and
22 allowing workers to recover the full statutory damages provided under
23 the labor law for these violations, some federal courts have begun
24 dismissing these claims for lack of Article III standing, claiming that

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD06533-01-5

1 these violations do not cause workers any concrete injury. Meanwhile,
2 some state courts have misconstrued the statutory damages available for
3 violations of the wage notice and wage statement provisions as penalties
4 and have thus not allowed workers to recover the statutory damages
5 provided, even though they have been able to do so in many federal
6 courts. Accordingly, the second purpose of this bill is to clarify that
7 the statutory damages available for violations of the wage notice and
8 statement provisions of the law are not punitive in nature, and are
9 instead designed to compensate workers for their employer's failure to
10 prevent wage theft in the first place, and the harms employees suffer as
11 a result, including being unable to discover, identify, and remedy wage
12 theft promptly and possible loss of valid wage theft claims due to the
13 passage of the statute of limitations, the stress and uncertainty caused
14 by unclear pay details, which can significantly impact their ability to
15 make informed employment choices, effectively manage their finances, and
16 plan for personal, familial, or social commitments.

17 § 3. Subdivision 3 of section 198 of the labor law, as amended by
18 chapter 397 of the laws of 2021, is amended to read as follows:

19 3. Notwithstanding any other provision of law, an action to recover
20 upon a liability imposed by this article must be commenced within six
21 years. The statute of limitations shall be tolled from the date an
22 employee files a complaint with the commissioner or the commissioner
23 commences an investigation, whichever is earlier, until an order to
24 comply issued by the commissioner becomes final, or where the commis-
25 sioner does not issue an order, until the date on which the commissioner
26 notifies the complainant that the investigation has concluded. Investi-
27 gation by the commissioner shall not be a prerequisite to nor a bar
28 against a person bringing a civil action under this section. All employ-
29 ees shall have the right to recover full wages, benefits and wage
30 supplements, statutory damages, and liquidated damages accrued during
31 the six years previous to the commencing of such action, whether such
32 action is instituted by the employee or by the commissioner, including
33 in a class action. There is no exception to liability under this
34 section for the unauthorized failure to pay wages, benefits or wage
35 supplements.

36 § 4. Subdivision 1 of section 663 of the labor law, as amended by
37 chapter 564 of the laws of 2010, is amended to read as follows:

38 1. By employee. If any employee is paid by [~~his or her~~] such employ-
39 ee's employer less than the wage to which [~~he or she~~] such employee is
40 entitled under the provisions of this article, [~~he or she~~] such employee
41 shall recover in a civil action the amount of any such underpayments,
42 together with costs all reasonable attorney's fees, prejudgment interest
43 as required under the civil practice law and rules, and unless the
44 employer proves a good faith basis to believe that its underpayment of
45 wages was in compliance with the law, an additional amount as liquidated
46 damages equal to one hundred percent of the total of such underpayments
47 found to be due, including in a class action. Any agreement between the
48 employee, and the employer to work for less than such wage shall be no
49 defense to such action.

50 § 5. This act shall take effect immediately and shall apply to all
51 actions concerning labor law violations that occurred within the six
52 years prior to this act's effective date.