

2017 Regular Session

HOUSE BILL NO. 507

BY REPRESENTATIVE PRICE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

EMPLOYMENT: Provides for the payment of wages

1 AN ACT

2 To amend and reenact R.S. 23:632, relative to the payment of wages; to provide for the
3 liability of an employer to pay wages; to provide good-faith defenses; to provide
4 exceptions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 23:632 is hereby amended and reenacted to read as follows:

7 §632. Liability of employer for failure to pay; attorney fees; good-faith exception

8 A. Except as provided for in Subsection B of this Section, any employer who
9 fails or refuses to comply with the provisions of R.S. 23:631 shall be liable to the
10 employee either for ninety working days wages at the employee's daily rate of pay,
11 or else for full wages from the time the employee's demand for payment is made in
12 writing until the employer shall pay or tender the amount of unpaid wages due to
13 such employee, whichever is the lesser amount of penalty wages.

14 B.(1) An employer may assert a good-faith defense to the payment of penalty
15 wages. When the court finds that an employer's dispute over the amount of wages
16 due was in good faith, but the employer is subsequently found by the court to owe
17 the amount in dispute, the employer shall be liable only for the amount of wages in
18 dispute plus judicial interest incurred from the date that the suit is filed. If the court
19 determines that the employer's failure or refusal to pay the amount of wages owed

1 was not in good faith, then the employer shall be subject to the penalty provided for
2 in Subsection A of this Section.

3 (2) An employer may assert a good-faith defense to the payment of penalty
4 wages. To prove good faith, the employer, after conducting a thorough investigation
5 of the demand, shall show a reasonable belief that disputed wages were not owed at
6 the time of the employer's written response to the employee's written demand for
7 payment.

8 (3) A good-faith defense is not available to an employer who has failed to
9 timely pay any undisputed wages.

10 (4) The existence of a good-faith defense, even if proven, does not affect the
11 employer's liability to the employee for attorney fees and costs if a meritorious
12 lawsuit has been filed.

13 ~~C. Reasonable attorney fees shall be allowed the laborer or employee by the~~
14 ~~court which shall be taxed as costs to be paid by the employer, in the event a well-~~
15 ~~founded suit for any unpaid wages whatsoever be filed by the laborer or employee~~
16 ~~after three days shall have elapsed from time of making the first demand following~~
17 ~~discharge or resignation. If the court finds a joint employment relationship exists,~~
18 ~~each employer shall be liable in solido for any wages, penalties, damages, interest,~~
19 ~~attorney fees, and costs owed.~~

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 507 Original

2017 Regular Session

Price

Abstract: Provides with respect to the payment of wages.

Present law requires an employer to pay an employee the amount of wages owed to him after a separation of employment.

Present law provides that if the employer fails to pay the wages owed, he is liable for 90 days wages or for full wages from the date the employee demand for payment is made, whichever is the lesser amount.

Proposed law retains present law and specifies that the 90 days wages owed are working days.

Present law requires an employer to pay the amount of wages not in dispute.

Proposed law retains present law and provides that an employer may assert a good-faith defense to the payment of penalty wages.

Proposed law provides that a good-faith defense is not available to an employer who fails to timely pay any undisputed wages.

Proposed law provides that proving a good-faith defense does not relieve the employer of his liability to the employee for attorney fees and costs for a meritorious claim.

Proposed law provides that if the court finds that there is a joint employment relationship, each employer is liable in solido for any wages, penalties, damages, interest, attorney fees, and costs owed.

(Amends R.S. 23:632)