



North Carolina Employers Face New Wage and Hour Requirements

Insights

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North Carolina Governor Roy Cooper recently signed Senate Bill 208 into law to make changes to the state's Wage and Hour Act — changes that may have a big impact on North Carolina employers. The changes took effect on July 8, meaning the time is now for you to get familiar with the revisions and take steps to get into compliance. What do you need to know about these changes?

Written Notification Needed

The first significant change relates to how employers must notify employees of promised wages. Previously, employers were allowed to orally notify employees of promised wages, as well as the day and place of payment, at the time of hiring. With Senate Bill 208, that has changed. Employers must now notify employees of promised wages, and day and place of payment **in writing** at the time of hiring. Oral notice is no longer sufficient.

Employers must keep in mind that “promised wages” also includes sick pay, vacation pay, severance pay, commissions, bonuses, and other amounts promised when the employer has a policy or a practice of making such payments. Therefore, such promised wages must also be in writing.

Several other states require written notice of wages, payday, etc. South Carolina employers, for example, have operated under such a requirement for 35 years. **Experience in these states indicates that the best way to ensure compliance is the creation of a form document employees sign as a part of new hire paperwork.**

Timing for Notification Has Changed

The second revision involves notification of a reduction in promised wages. North Carolina has long required written notice of wage reductions. But until this new law, only 24 hours' notice was required. Thanks to Senate Bill 208, employers must provide written notice **at least one pay period prior to any changes in promised wages**. Note there is no notice requirement if the employer increases an employee's promised wages.

Wage Payments to Departing Employees

The last change in the law pertains to the method in which final wages are to be paid to an employee whose employment terminates. Previously, employers could pay final wages through regular pay channels or by mail if requested by the employee. Under Senate Bill 208, however, final wages must be paid on or before the next regular payday through regular pay channels or by **trackable** mail if requested by the employee **in writing**. The key differences are that an employee's request to be paid by mail must be in writing and the final paycheck must be sent by trackable mail. Regular mail is no longer sufficient.

Employers Await Clarifying Regulations

Given the fact that these amendments were only recently adopted, it is no surprise that North Carolina Department of Labor has not yet issued any accompanying regulations. Such regulations will be forthcoming, however, and employers will want to stay tuned for them to the extent they provide helpful clarifications regarding the laws' finer points.

What Should You Do?

You should ensure that you integrate these changes into your employment practices, especially as employees are returning to work. To receive a compliant form that you can use when onboarding new employees, contact your Fisher Phillips attorney, the author of this Insight, or [any attorney in our Charlotte office](#).

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