

OHIO TO SOON REQUIRE PAY STUB TRANSPARENCY – WHAT THE NEW LAW MEANS FOR EMPLOYERS

Insights
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Pay stub transparency – the practice of providing all the details about an employee’s earnings and deductions on their pay stub – is becoming standard across the United States, and Ohio just became the latest state to impose such obligations on employers. The Pay Stub Protection Act, which takes effect April 9, will require employers to provide employees with an itemized earnings statement that lists wages, deductions, additions, and much more relevant information. What do you need to know about this new law, and how should you prepare for the effective date?

The Law in a Nutshell

Once April 9 rolls around, you will need to ensure the following information is contained on each and every earnings statement you provide your workers:

- The name and address of both employee and employer;
- Total gross wages and total net wages;
- A breakdown of additions and deductions from wages, with a brief explanation of each;
- For hourly employees, the total hours worked, hourly wage rate, and any overtime hours included in the calculation; and
- The pay date and the pay period it covers.

Employers are free to deliver this information either on paper or in electronic form.

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What Happens if Employers Don't Comply?

Unlike in other states, like California and New York, where violations can lead to financial penalties or private legal action, Ohio employees do not have an independent cause of action against their employer for failing to provide the above information on the employee's pay stub. Nor are there fines or monetary penalties for an employer's non-compliance. Instead, Ohio lawmakers created a process to promote accountability and transparency, as follows:

- If an employee doesn't receive the required information on their pay stub, the employee can submit a written request to the employer.
- The employer then has 10 days to provide the required information.
- Should the employer fail to supply the statement within 10 days, the employee can report the violation to the Ohio Director of Commerce.
- If the Director of Commerce determines that a violation occurred, it will issue a written notice of the violation that the employer must post at the workplace for 10 days.

Ohio's New Law is a Call to Action for Employers

HR and payroll teams will need to ensure that payroll systems can produce detailed, accurate pay stubs that meet these new requirements. This could mean updating software, reviewing payroll processes, or working closely with your payroll service provider to make the changes. If you're unsure whether your company's payroll system is ready for these changes, it might be a good time to reach out to your payroll service provider and legal counsel to make sure you're set to meet Ohio's new requirements when they take effect.

Ohio's Pay Stub Protection Act might not carry immediate fines for violations, but it's a clear signal that wage transparency is here to stay. By implementing systems to give employees clear and itemized pay statements, you can ensure compliance with future iterations of the law.

While Ohio doesn't currently impose penalties for noncompliance, getting pay stubs right is an essential best practice that helps avoid potential issues down the line, especially as the national trend toward pay transparency



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continues. This means staying ahead of the latest regulations and making sure payroll processes are in line with the new law. You can review our latest Insight - [Tracking the Latest Pay Transparency Trends: 5 Compliance Tips for Employers](#) – for more information about this national trend.

Conclusion

We will continue to monitor developments that impact your workplace and provide updates when warranted. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. For further information, contact the authors of this Insight, your Fisher Phillips attorney, or any attorney in [our Ohio offices](#) or any member of our [Wage and Hour Practice Group](#).

[Editor's Note: This article has been updated to reflect the change in effective date from April 8 to April 9.]