Bi-Weekly Pay – The Devil is in the Details

Description

By Alicia J. Samolis and Michael A. Gamboli

With January 1, 2014 fast approaching, many Rhode Island employers excited about the prospect of moving to a bi-weekly payroll system are wondering how to make the switch. The new law requires the filing of a petition, a showing of good cause and approval from the Department of Labor and Training ("DLT"). This is a tough requirement considering the fact that the DLT has not yet created the petition. Never fear though, the word from the DLT is that the petition has been drafted and is in the process of being approved. Similarly, there is a proposed set of regulations in the process of being approved. DLT is hopeful that all of the necessary information will be available on its website as of January 1, 2014.

What does this mean for Rhode Island employers? It means that you will not be legally allowed to switch to a biweekly system immediately since there will be a natural lag between the petition being available, being filed, and being approved. In fact, the proposed regulations would also require a fourteen (14) day notice period to employees and a bi-annual recertification. Employers are reminded that if they have employees in other states, those state laws may require different frequency notice periods and employers should make sure to comply with all applicable state laws in transitioning to a bi-weekly payroll system.

Bottom line. Stay tuned!

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