

■ **WAGE AND HOUR LAWS (*WAGE PAYMENTS*)**

TERMS:

**Wage Deductions** — Employers are not permitted to make any deduction from a worker's pay at the worker's request, unless the deduction is for insurance premiums, repayment of a loan made by the employer, or similar authorized purposes, and unless a written agreement to make the deduction has been signed by the worker. The employer has to agree to the arrangement, and the worker may cancel the agreement at any time.

**Deductions to Repay Loans** — Any arrangement under which wages are withheld to repay a loan made by someone other than the employer is not valid unless the deduction is for a fixed percentage of the worker's earnings and the arrangement covers a period not longer than 30 days. Any interest charged by the person or establishment making the loan may not exceed an annual rate of 8 percent. An agreement to assign wages is generally not valid without the signature of the worker's spouse, if any.

**Illegal Sales and Fines** — It is unlawful for employers to knowingly sell to any of their employees any merchandise or supplies at a higher price than the price at which the merchandise or supplies are sold to others for cash. It is also illegal for an employer to fine a worker for any reason and then collect the fine from the worker's wages.

**Penalty for Failure to Pay Wages** — An employer who fails to pay a worker his or her wages within 10 days after demand for payment not only is responsible for the unpaid wages, but is subject to a penalty of \$1 for each day the wages remain unpaid after the 10-day period. The penalty, up to *double* the amount of the wages due, is payable to the worker.

ENFORCEMENT: *Wage and Hour Division, Indiana Department of Labor, Indianapolis, Indiana 46204 (317-232-2655)*. A worker who has had an employer-imposed fine deducted from pay may report the violation to the Department.

The other protections outlined above may be enforced only through court action by the worker, represented by a private attorney or a public legal services program.