

insights

TYPES NOT MAPPED YET March 20, 2025 | TTR not mapped yet | Howard S. Lavin

NY Senate Passes Bill Authorizing Stop-Work Orders for Misclassification of Employees as Independent Contractors

This month, the New York State Senate passed S1514, which would amend the New York Labor Law to empower the Commissioner of Labor to issue stop-work orders against employers that knowingly misclassify employees as independent contractors or provide false, incomplete, or misleading information to insurance companies about the number of employees.

Under the bill, employers would receive written notice of the Commissioner's intention to issue a stop-work order and have 72 hours to address the violations before the order is issued. The notice would also include the factual basis for the decision and instructions for coming into compliance. If the employer does not come into compliance within the 72-hour period, then the Commission will issue a stop-work order requiring the cessation of all business of the employer at every site at which the violation occurs.

Employees affected by a stop-work order would be entitled to receive their regular pay for the period the stop-work order is in place or the first 10 days the employee would have been scheduled to work, whichever is less. Employers would have the right to apply for a hearing to contest the order within 10 days of issuance.

In addition to other penalties authorized by law, employers that fail or refuse to comply with a stop-work order will be assessed penalties of between \$1,000 and \$5,000 per day. To protect employees who initiate complaints, the bill establishes a rebuttable presumption of unlawful retaliation if an employer discriminates, retaliates, or takes any adverse action against any employee within 90 days of the employee initiating a complaint.

A companion bill, A6664, has been introduced in the New York State Assembly and is in committee. We will continue to monitor S1514 and A6664. Stay tuned.

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