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## **Employee Wage Notice**

Quick Reference Guide

December 2019

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During the 2019 Legislative Special Session, the Minnesota State Legislature passed legislation to amend Minn. Stat. § 181.032. Among other things, the updated law requires employers, including state agencies, to provide written notices to employees that contain specific information pertaining to their employment. This reference guide provides background information on the law and resources developed by MMB for agency use.

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## **The Law – Minnesota Statutes section 181.032**

Underlined language is new from the 2019 Legislative Special Session.

### **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE TO EMPLOYEE.**

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the hourly rate or rates of pay (if applicable) and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from chapter 177;

~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;

~~(5)~~ (6) a list of deductions made from the employee's pay;

~~(6)~~ (7) the net amount of pay after all deductions are made;

~~(7)~~ (8) the date on which the pay period ends; and

~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different from the legal name;

(10) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(11) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned;

(7) the legal name of the employer and the operating name of the employer if different from the legal name;

(8) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(9) the telephone number of the employer.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date the changes take effect.

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## **Employer Requirements**

### **Earnings Statement**

- Employee paystubs now include the employing agency name, address, and telephone number.
- Multiple employing agencies are listed for employees who have multiple appointments.
- See [June 28, 2019 Memo](#) for additional information.

## Employee Wage Notices

- Initial Notice: A full notice provided to all new employees and any current employees who have not received an Initial Notice.
    - New employees and any current employees who have not received an Initial Notice must be provided with the full notice form filled out with their information.
    - If possible, the full notice form should be provided to the employee with the offer letter. If not with the offer letter, the notice should be provided to the employee at the start of employment.
    - Employees must have the opportunity to sign this notice.
    - Employer must keep a copy of this notice. (Electronic or paper copy is fine.)
    - Upon request by employee, employer must provide full notice translated in language chosen by employee.
  - Change Notice: A notice provided to employees when there is a change to any of the employee's information as identified in Minn. Stat. § 181.032(d)(1)-(9).
    - There is no requirement to include unchanged information or a comparison of the original data to the changed data (e.g., original rate of pay and new rate of pay.) The change notice only needs to include any changes to current information or new information (e.g., new rate of pay. *Please see Items Triggering Change Notice below for changes that might require a change notice.*)
    - If using the template provided by MMB, only fill out the information that has changed, not the entire form.
    - No employee signature is required on the change notice.
    - Employer should keep a copy of this notice. (Electronic or paper copy is fine.)
    - Employer must provide change notices in the language chosen by employee, as indicated on initial notice, along with the English version.
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## Filling in Notice Templates

Please see "[Directions for Employee Wage Notice Templates](#)" for instructions on how to fill out the specific fields in the templates.

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## Items Triggering Change Notice

Items that **may** trigger a change notice pursuant Minn. Stat. § 181.032 include, but are **NOT** limited to:

Change to compensation rate

Change to basis for compensation rate

- Changes to applicable collective bargaining agreement, including agency-specific agreements and MOUs; compensation plan; training plan; or statute
- Change in rate of differential or new differential due to changes to article or chapter references contained in collective bargaining agreements, including agency-specific agreements and MOUs, and compensation plans

- Changes to compensation grid
- Changes to compensation range
- Changes to compensation step
- Situations: Work out of class, promotion, demotion, transfer, step increase, range reassignment, mobility/interchange, reallocation, rehire, or any other reasons for changes in compensation rate

Changes to paid vacation and sick time-off accruals

- Vacation accrual credit request after hire
- FTE status change
- Vacation eligibility change

Changes to terms of use for paid vacation and sick time

- Collective bargaining agreement
- Compensation plan

Change to Employee's FLSA exemption status

- Seasonal change in status

Change to basis for employee's exemption status

Change to list of deductions that may be made

Change to number of days in pay period

Change to regularly scheduled pay day

Change to pay date on which employee will receive first payment of wages earned

- If employee's start date changes from original notice, a new corrected initial notice must be provided

Change to legal name of employer, or operating name of employer if different from legal name

Change to physical address of employer's main office or principal place of business, and mailing address if different

Change to employer's telephone number

## **FAQs**

**1. The statute requires that employers provide the initial notice at the start of employment. What is considered the "start of employment"?**

The initial notice should be provided at the same time as the offer letter. If the notice cannot be sent with the offer letter, it should be provided to the employee no later than the first day of employment.

**2. Is there an automated report for vacation accrual information for individual employees?**

There is currently no automated report providing this information.

**3. Are agencies required to use MMB’s notice forms?**

Agencies are not required to use the forms developed by MMB. Regardless of whether an agency chooses to use the forms developed by MMB, its own form, or other type of written communication, the agency must include all information required by Minn. Stat. § 181.032. This includes, but is not limited to, all information in each section of the MMB forms, all appendices, agency information, and a translation notice.

**4. Does the notice form take the place of an offer letter?**

No. However, an agency could include the information required in the notice in their offer letter.

**5. How should agencies comply with the change notice requirements for reallocations?**

If the classification decision results in any associated changes to employment information as outlined in Minn. Stat. § 181.032(d)(1)-(9), agencies should provide employees with a change notice at the time the final decision has been made.

**6. Do we send change notices to people who are no longer working for the agency?**

If an individual is no longer an employee, no change notice is necessary.

**7. Is there a deadline by which the employee needs to sign the initial notice?**

No, there is no deadline for employees to sign the initial notice. Agencies can choose a deadline for employees to return the signed form, but the time frame must be consistent for all similarly situated employees and reasonable. If the employee does not return the signed notice, HR should simply note on the form the date the form was provided to the employee and that the employee did not return a signed document. HR staff should initial and date this notation.

**8. If an employee is on an interchange/mobility assignment, which agency provides the notice?**

Whichever agency is processing the employee’s payroll for the new assignment should provide the notice to the employee.

**9. Does the signature on the initial notice need to be handwritten?**

The signature does not need to be handwritten; but if an electronic signature is used, it must comply with the Uniform Electronic Transactions Act, Minn. Stat. Chapter 325L. On MMB’s notice form, there is a checkbox above the signature line that must be checked in addition to the employee’s typed signature.

**10. Do we need to send all the appendices with change notices?**

Yes, agencies must either include copies of any referenced appendices.

**11. Is a change notice required for changes in payroll deduction amounts?**

If the amount of an employee's existing deductions changes, such as a change in short-term disability amount, a change notice does not need to be provided. However, if an agency removes or adds deduction categories, a change notice must be provided. For example, if an agency no longer provides flexible spending accounts as an option to employees, a change notice would need to be provided.

**12. Who is responsible for translation requests?**

If an employee requests the notice translated in a language other than English, the agency is responsible for providing the translated document. Agencies can contact the Department of Administration for a list of approved vendors who can provide translation services. Once an employee requests a translated notice, all future notices must be provided in English and in the requested language.