

## **RULE IMPACT STATEMENT**

Pursuant to the Administrative Procedures Act, Section 303(D) of Title 75 of the Oklahoma Statutes, the Oklahoma Department of Labor (“ODOL”) hereby submits the following Rule Impact Statement for **PERMANENT** rule proposals for OAC Title 380, Department of Labor, Chapter 30, Protection of Labor.

### **Brief Description of the Purpose of the Proposed Rules:**

The purpose of the proposed amendment to OAC 380:30-1-7 is to clarify the requirements for a valid payroll deduction agreement. Under the current rule, the payroll deduction agreement must be signed by the employer and the employee. Many employers are not aware that the employer's signature is required and many payroll deduction agreements have been invalidated as a result. Although the current rule does not state when the payroll deduction agreement must be signed, the Oklahoma Department of Labor has been requiring the agreement be signed before the deduction is made. The proposed amendment to this section will eliminate the requirement that the employer sign the agreement and specify that the agreement must be signed before the payroll deduction is made. The main purpose of the payroll deduction agreement is to protect the employee by ensuring that the employee is aware of the deduction before it is taken. The proposed amendment will still protect the interests of the employee while also ensuring that these otherwise valid employment agreements are upheld.

The purpose of the proposed amendments to OAC 380:30-3-4 and OAC 380:30-3-5 is to allow more time for the consideration of submitted motions and to specify the time when response motions are due. Currently, motions must be filed at least ten (10) days before the administrative hearing and no time frame is set for the submission of response motions. This causes confusion when motions are filed by a party during the wage claim process or when a claim has been appealed to an administrative hearing. The current rule also does not allow enough time for the administrative law judge to consider the issues raised in the motion before the hearing. The proposed rule requires motions to be filed thirty (30) days before the administrative hearing and response motions will be due fifteen (15) days thereafter. Motions for stay of proceedings may still be filed at any time after the filing of the wage claim and any response to such motion will now be due within twenty (20) days thereafter.

### **Description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the cost of the proposed rule, and any information on cost impacts received by the agency from any private or public entities:**

All employers and employees in the state of Oklahoma will likely be affected by these proposed rules. The proposed rules are not anticipated to create any new costs on employers or employees. No information on cost impact has been received by the agency from any private or public entities at this time.

**Description of the classes of persons who will benefit from the proposed rule:**

All employers and employees, as well as the Department of Labor, are expected to benefit from the proposed rules. Employers will benefit because deduction agreements will no longer have to be signed by the employer which will allow more deduction agreements, which are otherwise valid, to be upheld. Employees will benefit because the rule is clarified to explain that the deduction agreement must be signed before the deduction is made. Any party to a wage claim, including the Department of Labor, will benefit from the timelines established for the submission of motions and response motions because the parties will have more time to adequately prepare for administrative hearings.

**Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing for all fee changes and, whenever possible, separate justification for each fee change:**

No economic impact is expected on any affected classes of persons or political subdivisions. The rules do not change or create any fees.

**The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effects on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:**

No additional revenue should be needed for the implementation or enforcement of these proposed rules. Since more deduction agreements will be determined to be valid, the Department of Labor may receive fewer wage claims and appeals. Less agency funds may be required as a result. The agency may also spend less agency funds in defending administrative appeals because all motions will be received earlier and fewer continuances of hearings may be required.

**A determination of whether implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementing or enforcing the rule:**

No economic impact on any political subdivision is anticipated at this time, nor will they be required to cooperate in implementing or enforcing the rule.

**A determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:**

No adverse economic impact on small business is anticipated. Small businesses which employ individuals will be impacted by these proposed rules, but any economic impact should benefit these employers.

**An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule:**

No compliance costs are expected. There is no less costly non-regulatory method available.

**A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk:**

The proposed rules should not have any impact on the public health, safety or environment.

**A determination of any detrimental effect on the public health, safety and environment if the proposed rules are not implemented:**

If the proposed rules are not implemented, no detrimental effect on the public health, safety and environment is expected.

**Date the rule impact statement was prepared and the date modified:**

Prepared: February 12, 2009

Modified: n/a

**Prepared by:**

Tiffany J. Wythe  
Assistant General Counsel  
Oklahoma Department of Labor  
4001 N. Lincoln Blvd.  
Oklahoma City, OK 73105  
[twythe@oklaosf.state.ok.us](mailto:twythe@oklaosf.state.ok.us)  
Phone: (405) 528-1500 ext. 231  
Fax: (405) 528-5751