

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulation: RI Department of Labor and Training

Subject matter of regulation: **Biweekly Pay**

ERLID No: 7541 (Supersedes ERLID #1662)

Statutory authority: Chapter 28-14

Other agencies affected: None

Other regulations that may duplicate or conflict with the regulation: None

Describe the scope and objectives of the regulation: This new regulation interprets the amendments under R.I. Gen. Laws § 28-14-2.2, which allow employers whose average payroll exceeds two hundred percent (200%) of the state minimum wage to petition the director of labor and training for permission to pay wages less frequently than weekly and which allow employers with less than two hundred percent (200%) of the state minimum wage to petition the director of labor and training for permission to pay wages less frequently than weekly.

This new regulation also explains the application process for petitioning the director of labor and training for permission to pay wages less frequently than weekly under R.I. Gen. Laws § 28-14-2.2.

What was the rationale for establishing this regulation? To clarify the new legislative amendments to R.I. Gen. Laws § 28-14-2.2. The amendment were passed during the 2013 legislative session and become effective January 1, 2014.

Does the rationale still exist? Yes

Is the rationale still relevant? Yes

Business industry (s) affected by the regulation: All

Types of businesses included in the industry (s): All

Total number of small businesses included in the regulated industry (s) *(Please see the attached guidance documents for assistance determining the total number of small businesses)*

32,742

Number of small businesses potentially subject to the proposed regulation:

32,742

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues? Often.

What is the cost to your agency of establishing and enforcing this regulation? No ongoing costs beyond the normal costs of manpower in reviewing and processing petition applications.

What would the consequences be if the regulation did not exist? There would be a lack of clarity on the law, resulting in violations and employers would not have a means by which to receive an exemption from the biweekly pay requirement.

Effective date used in cost estimate: June 30, 2013 through July 1, 2014.

For each question below, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

1.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Do small businesses have to create, file, or issue additional reports? Employers will have to submit financial reports along with applications. The only new requirement of this regulation is the requirement of submitting an application.
2.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Do small businesses have to implement additional recordkeeping procedures?
3.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Do small businesses have to provide additional administrative oversight? They must ensure employees are paid properly.

4.	Yes	No X	Do small businesses have to hire additional employees in order to comply with the proposed regulation?
5.	Yes	No X	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
6.	Yes	No X	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
7.	Yes	No X	Are performance standards more appropriate than design standards?
8.	Yes X	No	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities? Yes, they will be subject to random audits.
9.	Yes	No X	Does the regulation have the effect of creating additional taxes and/or fees for small businesses?
10.	Yes	No X	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?
11.	Yes	No X	Is the regulation likely to <i>deter</i> the formation of small businesses in RI?
12.	Yes X	No	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI? It removes the requirement of paying weekly and paying the additional cost to payroll companies to perform weekly payments. Many payroll companies have transitioned to biweekly payrolls and charge employers additional costs for weekly payroll tasks.
13.	Yes	No X	Can the regulation provide for less stringent compliance or reporting requirements for small businesses?

14.	Yes	No X	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?
15.	Yes	No X	Can the compliance or reporting requirements be consolidated or simplified for small businesses?
16.	Yes	No N/A	Can performance standards for small businesses replace design or operational standards?
17.	Yes	No X	Are there alternative regulatory methods that would minimize the adverse impact on small businesses?
18.	Yes	No X	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.

Number of Small Businesses Affected

Payment of Wages (ERLID)	
Industries	Number of Small Businesses
All industries	32,742