



New York State Department of Labor
Division of Labor Standards

Deductions from Wages

Section 193 of the New York State Labor Law

§ 193. Deductions from wages.

1. No employer shall make any deduction from the wages of an employee, except deductions which:
 - a. are made in accordance with the provisions of any law or any rule or regulation issued by any governmental agency; or
 - b. are expressly authorized in writing by the employee and are for the benefit of the employee; provided that such authorization is kept on file on the employer's premises. Such authorized deductions shall be limited to payments for insurance premiums, pension or health and welfare benefits, contributions to charitable organizations, payments for United States bonds, payments for dues or assessments to a labor organization, and similar payments for the benefit of the employee.
2. No employer shall make any charge against wages, or require an employee to make any payment by separate transaction unless such charge or payment is permitted as a deduction from wages under the provisions of subdivision one of this section.
3. Nothing in this section shall justify noncompliance with article three-A of the personal property law relating to assignment of earnings, nor with any other law applicable to deductions from wages.

The Department applies the following interpretations and guidelines to administer this statute:

- A. **Posting:** Every employer engaged in the sale or service of food or beverages must post these documents:
 - LS 605, Deduction from Wages (Section 193 of the NYS Labor Law) and
 - LS 204, Tip Appropriation (Section 196-d of the NYS Labor Law).
- B. **Employee Coverage:** Section 193 applies to every "person" except public employees.
- C. **Recent Decisions:** The New York Court of Appeals, the state's highest court, decided two cases¹ interpreting Section 193 of the Labor Law relating to wage deductions. Under those decisions and Section 193, employers may make deductions from wages only if the deductions fit under the following categories:

¹*Marsh v. Prudential Securities*, 1 NY3d 146 (2003) and *Angello v. Labor Ready*, 7 NY3d 579 (2006).

1. Authorized by Law

Deductions are allowed where any law, rule, or regulation authorizes an employer to deduct wages from an employee's pay. Examples include wage garnishments for child or spousal support and State and Federal taxes withholdings.

2. Expressly Authorized by Section 193 with the Employee's Consent

- a. New York State permits five categories of wage deductions as long as the deduction is
 - For the benefit of the employee and
 - Expressly authorized by the employee.

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- b. The permitted wage deductions categories are:
 - Payments for insurance premiums
 - Examples include health, medical and dental insurance for the employee and/or the employee's family
 - Payments for pension or health and welfare benefits:
 - Examples include 401K contributions, and retirement account contributions
 - Contributions to charitable organizations
 - Payments for United States bonds
 - Payments for dues or assessments to a labor organization
- c. Deductions similar to these five categories are permissible if they
 - Are for the benefit of the employee
 - Are expressly authorized by the employee, and
 - Do not exceed ten percent of the employee's gross wages (minus required deductions) for the pay period

All other wage deductions are illegal in New York. These include, but are not limited to:

- Repayment of loans, advances or debts
- Recovery of employment-related expenses
- Recovery for spoilage or breakage
- Purchases made from employers or employer-sponsored stores, cafeterias, and like establishments
- Cash register shortages

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