

Pay correct, timely wages in NC or risk double damages

North Carolina's Wage and Hour Act (NCWHA) says that if you fail to pay workers what they're due, they can sue for those unpaid (or late) wages, plus a penalty of *double* what was due. Your only defense to double damages: proof that you acted in good faith and reasonably—a tough task.

That's why it's vital for employers not to fall behind on wage payments and to be absolutely sure of the legality of any deductions or withholdings from an employee's wages.

Recent case: Richard Mason worked in North Carolina under a written contract that called for a \$300,000 base salary and a one-year-salary severance pay package. After being fired, Mason sued for the severance. He also said the NCWHA applied and demanded that his payment be doubled.

The court agreed Mason was owed the severance. It sent the double-damages issue to trial, where the former employer will have to prove it acted in good faith when it withheld the severance. (*Mason v. ILS Technology*, No. 3:04-CV-139, WD NC, 2007)