Wage Theft: What Young Workers Need to Know	
Lesson Overview	**Lesson Materials**
This activity builds students' awareness and understanding of wage theft as a prevalent issue many workers face. They will interact with their "Know Your Rights" document as a resource for an activity.	Canva Slide Deck Know Your Rights document Printouts of wage theft scenarios Wage theft scenario answers Helpful Wage theft handout
Lesson Time:	**Learning Objectives:**
40-45 minutes	1. Students will understand what wage theft is and be able to identify different types of wage theft. 2. Students will learn how to read and understand a pay stub to ensure they are being paid correctly.
Classroom Setup:	**Schedule**
The class will be working as a full group.	15 minutes: Present Slides 20 minutes: Activity 15 minutes: Debrief

Instructor Notes	
Slide 2	Adriana is 16 and she works at a grocery store. She worked 20 hours over the last two weeks but was only paid for 16 hours, what can she do about this? Who can she ask for help? Does this problem have a name?
Slide 3	Adriana has experienced something called “wage theft” or when an employer is not paying a worker all of the money they have earned. Who can Adriana talk to about this? ● a parent ● a workability or other teacher ● a friend at work While wage theft can impact all workers, low-wage workers are most likely to experience wage theft. Since women, people of color, and immigrant workers are more likely to be employed in low wage work (retail, fast food etc) they are more likely to experience wage theft.[1] Young workers are also likely to work in low wage jobs and be impacted by this issue as well.

[1] Mangundayao, Ihna, et al. “More than $3 billion in stolen wages recovered for workers between 2017 and 2020.” *Economic Policy Institute*, 22 December 2021, https://www.epi.org/publication/wage-theft-2021/. Accessed 25 November 2024.

Slide 4	There are many different ways an employer can commit wage theft. Here are some more examples: ● An employer paying less than the minimum wage ● Not paying workers for all of the hours worked ● Not paying out tips ● Charging workers if customers leave without paying or something breaks ● Taking out money from your paycheck for uniforms, tools or PPE ● Misclassifying workers as independent contractors to avoid paying them minimum wage and overtime pay ● Not paying overtime or for rest breaks
Slide 5	All workers in California have rights, including rights about how they are paid.
Slide 6	All workers in California are entitled to paid rest and unpaid meal breaks. Breaks are determined by the number of hours worked. **Ask:** Does anyone know which breaks are paid and which are unpaid? ● Employees are entitled to one 10 minute **paid** rest break for for every 4 hours of work ● Employees are entitled to one 30 minute **unpaid + uninterrupted** meal break for every 5 hours of work If someone is making you clock out for a 10 minute rest break or not giving you rest breaks for every 4 hours worked, that is wage theft. **Ask:** Does anyone know what “overtime” means?

Slide 7	Workers earn “overtime” or extra money for working more than usual. Time and a half is 1.5 times their normal pay. Overtime is owed for every hour worked past the 8th hour in a row in one day and every hour worked past the 40th hour in a single week. Double time is when a worker earns 2 times their hourly rate. Workers earn double time for every hour worked past the 8th hour in a row in one day and every hour worked past the 40th hour in a single week.
Slide 8	Overtime is paid at 1.5 times your rate of pay, so if you earn $16.50/hour your hourly rate would go up to $16.50 + $8.25 (because half of $16.50 is $8.25) = $24.75/hour On January 1, 2026 the CA state minimum wage is going to increase to $16.90. Let’s do the math for what overtime will be after that. $16.90/2 = $8.45; $16.90 + $8.45= $25.35/hour Workers earn double time pay for every hour worked past the 12th hour in a row *one day* and every hour worked past the 8th hour *of the 7th work day in a row.* Double time pay means your hour rate is doubled so if you earn $16.50/hour, you would earn $33/hour.

Slide 9	End of employment: workers also have wage and hour rights for their last check. ● If you quit without notice, your boss must pay you your wages within 72 hours (3 days) ● If you are fired, you must receive your wages on the last day ○ There are penalties if you don't
Slide 10	In order to track whether or not your employer is paying you correctly, you need to know how to read your earnings statement, sometimes called a pay stub, which is the paper that comes with your paycheck.

How to read a pay stub

BIG BOX STORE — EARNINGS STATEMENT

EMPLOYEE NAME	SOCIAL SEC. NO.	EMPLOYEE ID	CHECK NO.	1 PAY PERIOD	PAY DATE
Casey Smith	123-45-6789	101	123	8/01/22-8/15/22	8/22/22

INCOME	RATE	HOURS	CURRENT TOTAL
2 GROSS INCOME			200.00

DEDUCTIONS	CURRENT TOTAL	YEAR TO DATE
4 FEDERAL TAX	8.63	93.51
5 FICA SS TAX	12.40	125.40
6 FICA MEDICARE	2.90	31.90
7 STATE TAX	0.74	8.21

3 YTD GROSS INCOME	YTD DEDUCTIONS	YTD NET INCOME
2,800.00	479.02	2320.98

TOTAL	8 DEDUCTIONS	9 NET INCOME
200.00	24.67	175.33

1 Pay period
Calendar days included in the paycheck. Your employer sets up the schedule of when you are paid.

Money you've earned

2 Gross income
Total pay before taxes and other deductions are taken out.

3 YTD (year-to-date)
Summary of total gross income, deductions, and net income since the start of the year.

9 Net income
Amount of money you receive in your paycheck after taxes and other deductions are taken out; also called take-home pay.

Money taken out of your paycheck

4 Federal tax
Amount withheld for federal income tax. This is deducted each pay period so you do not have a large tax bill when you send in your tax return.

5 Federal Insurance Contributions Act (FICA) Social Security tax
Amount withheld by your employer to pay your Social Security tax. Social Security provides benefits for retired workers, people with disabilities, and the dependents of both. You and your employer contribute to Social Security; your paycheck shows your share.

6 FICA Medicare
Amount withheld by your employer to pay your Medicare tax. Medicare is a federal health insurance program insurance program for people who are 65 or older, certain younger people with disabilities, and people with permanent kidney failure requiring dialysis or a transplant.

7 State tax
Amount your employer withholds to pay your state income tax. (Not all states have income tax.) This is deducted each pay period so you do not have to pay a large amount when you file your tax return.

8 Deductions
Taxes, insurance premiums, and the cost of other programs that are subtracted from your gross income.

According to California law, a pay stub must include:

- Employee's name
- Last four digits of the employee's Social Security number (or a unique employee identification number)

	• The name and address of the employer • **Gross wages earned** - the total wages earned before any deductions like taxes and benefits are taken out • Total hours worked • **Deductions-** Employers withhold (or deduct) some of their employees' pay in order to cover payroll taxes and income tax. Money may also be deducted, or subtracted, from a paycheck to pay for retirement or health benefits. • **Net wages**- what is left after deductions are subtracted from the gross wages • **Inclusive dates of the pay period -** the starting and ending date of the when you are being paid for, including the first and last date listed. • Hourly rates - how much money you earn per hour
Slide 11	Now we're going to do a group activity to practice reading pay stubs and figuring out if wage theft occurred. Here are the instructions: • I will read a scenario of a young worker that may have experienced wage theft. • We will answer the questions to determine if the young worker experienced wage theft • Each pay check represents 1 work week, but usually paychecks are provided for 2 week periods ***Pass out the wage theft scenarios (student version) and work through the two scenarios one at a time.***
Slide 12	Read scenario: Adriana is 16 and it is April. She has been working at a grocery store for the last year. She typically works 5.5 hours a day for 4 days a week. This week, because the store was busier and a couple of her co-workers had to leave early, she was asked to take on more hours during the week. The store was really busy each shift and Adriana's manager said there was no time for her to take rest breaks, only her lunch break. Look at Adriana's paycheck in the handout.

	● Draw a circle around the days that Adriana worked. ● Draw a square around the number of hours that Adriana worked in that week. ● Draw a triangle around the amount of money she earned per hour.
Slide 13	1. How many hours a day did Adriana work? 2. How many paid rest breaks did Adrianna get in the week? How many paid rest breaks over the week is she entitled to? (Hint: Use the wage theft handout) 3. How many unpaid meal breaks did Adrianna get during the week? 4. Did Adriana's grocery store employer commit wage theft? Why? 5. Are there any other labor violations? **ANSWERS** 1. How many hours a day did Adriana work? *5 hours* 2. How many **paid rest** breaks did Adrianna get in the week? 0 3. How many **paid rest** breaks over the week is she entitled to? 6 4. How many **unpaid meal** breaks did Adrianna get during the week? 6 5. Did Adriana's grocery store employer commit wage theft? *Yes* 6. Are there any other labor violations? *Yes, Adriana is 16 and school is in session so she should not be working more than 4 hours per day Monday-Thursday.*
For the next scenario, teachers may select from one of the two following examples, depending on interest, or if time permits, teachers may choose to do both scenarios.	

Scenario 1 **Slide 14**	James is 15. He works at a clothing chain store in the mall. Last week, when he got his paycheck it was less than usual, even though he worked the same hours. 1. Draw a circle around the days that James worked. 2. Draw a square around the number of hours that James worked in that week. 3. Draw a triangle around the amount of money he earned per hour.
Slide 15	Now, let's look at the handout to see James' pay stub and answer the following questions to see if James is experiencing wage theft. 1. What deductions are listed on James' pay stub? 2. Is it legal for an employer to make these deductions for equipment or uniforms? 3. Did the store commit wage theft? 4. Are there any other labor violations in this scenario? **Answers:** 1. What deductions are listed on James' pay stub? *Uniform, employers must pay for clothing or PPE that is required* 2. Is it legal for an employer to make these deductions? *No* 3. Did the store commit wage theft? *Yes* 4. Are there any other labor violations in this scenario? *No*
Scenario 2 (no sample paycheck associated) **Slide 16**	Tyler is 17. He works as an employee of a local chain restaurant that has 2 different locations in the city. Employees are often sent to both locations to work depending on the flow of customers. On Friday Tyler was asked to cover multiple shifts at both locations. He worked 5 hours at one location, and then was asked to cover a co-worker's shift for another 6 hours at the other location. He was paid his typical rate of $16.50/hr for 11 hours and was provided 1 paid 10 minute rest break and 1 unpaid meal break. The total amount that he earned for the day was $173.25.

Slide 17 **Slide 18**	When Tyler receives his paycheck, he notices that he was not paid overtime for the week (even though he worked 41 hours). When Tyler goes to his supervisor to ask for overtime, she tells him that he was not entitled to overtime since he worked at 2 different locations on Friday and the hours reset. 1. How many hours did Tyler work in total for the day? 2. How much was Tyler paid per hour? 3. How many rest breaks did Tyler receive? 4. How many rest breaks should Tyler have received? 5. Is Tyler entitled to overtime pay even though he didn't work the hours at the same location? **Answers:** 1. How many hours did Tyler work in total for the day? *11 hours* 2. How much was Tyler paid per hour? *$16.90* 3. How many rest breaks did Tyler receive? *1 paid 10 minute rest break and 1 unpaid meal break* 4. How many rest breaks should Tyler have received? *2 paid rest breaks and 2 unpaid meal breaks* 5. Is Tyler entitled to overtime pay even though he didn't work the hours at the same location? *Yes, it doesn't matter that he worked at 2 different locations, the employer counts as 1 employer.*
Slide 19	Now that we know wage theft is very common and how to identify different kinds of wage theft, let's talk about some steps you can take while you are working so if wage theft happens to you, you can identify it. 1) Track your hours like the young workers did in your scenarios. Include: ● Start and end time of each day

	● Start and end time of breaks ● The address of where you are working ● When you get paid and how much you were paid (check this against your log of the days and hours you worked) 2) If you believe wage theft has occurred, talk to your coworkers, see if other people are experiencing the same thing. 3) File a claim directly/on your own with the Department of Labor Standards and Enforcement. You can contact a worker center or union to help you file a wage claim. 4) Contact your local District Attorney
Slide 20	**Wrap up** There is a lot of work to be done to ensure that workers receive all of the pay that they have earned but it is important to remember that wage theft is against the law and you have rights that must be respected. Knowing your rights, tracking your hours and checking your pay stubs are all important steps to ensuring that you are paid what you're owed.