



U.S. Department of Labor – Wage and Hour Division *Did You Know?*

This session will provide general information about the various laws enforced by the Wage & Hour Division. The primary focus will be on the Fair Labor Standards Act, which is the law that most affects the general public, and the Family First Coronavirus Response Act, which went into effect on April 1st. In addition, participants will be provided guidance on how and what information is needed to file a complaint with the Wage & Hour Division.

Presenter:

Domingo Y. Castillo

Community Outreach & Resource Planning Specialist

Working Together to Serve Diverse Communities: A Virtual Resource Fair

1





UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION dol.gov/whd 1-866-487-9243

Major Provisions



<u>Coverage</u>



Minimum Wage



<u>Youth</u> Employmen <u>t</u>



<u>Recordkeeping</u>



<u>Overtime</u>

Employment Relationship

In order for the FLSA to apply, there must be an employment relationship between the "employer" and the "employee"



Covered, non-exempt employees must be paid at least the federal minimum wage, in cash or the equivalent, free and clear, for all hours worked

Current federal minimum wage

Compensation includes:

- Wages (salary, hourly and piece rates)
- Commissions
- Certain bonuses
- Tips received by eligible employees up to \$5.12 per hour (where the employer takes a tip credit)

Deductions from pay are illegal if:

- Items are primarily for the benefit or convenience of employer, and
- Deduction reduces employee earnings below required minimum wage

Examples of illegal deductions: deductions for tools, damages to property, cash register shortages



Hours Worked



An employee must be paid for all of the time considered to be "hours worked" under the FLSA.

This may include time spent engaged to wait, on-call, in training, or travelling, as well as sleep time.

Work not requested but "suffered or permitted" is work time.



Waiting Time

Hours worked	NOT hours worked
Employee unable to use "waiting time" effectively for own purposes "Waiting time" controlled by employer	Employee completely relieved from duty Break-time long enough for employee to use for own purposes

Rest and Meal Periods

- Short rest breaks (20 min or less) are compensable
- Bona fide meal periods (typically 30 minutes or more) need not be paid as hours worked
- Worker must be completely relieved of duty for meal period not to be compensable time.

Training Time

Time spent in meetings, lectures or training is considered *hours worked* and must be paid, unless:

- Attendance outside regular work hours
- Attendance voluntary
- Course, lecture, meeting not job related, and
- Employee does not perform any productive work

Travel Time

- Ordinary home to work travel is *not* compensable work time
- Travel between job sites during normal work day *is* work time and thus compensable hours worked
- Special rules apply to travel away from employee's home community

Hours Worked Summary and Common Violations

- Suffered or Permitted: working "off the clock"
- Waiting Time: engaged to wait
- **On-Call Time:** not free from duty or employer control
- Meal and Rest Periods: not free from duty
- *Training Time:* unpaid training during work time
- *Travel Time:* unpaid travel between job sites

Minimum Wage Summary and Common Violations

- **Compensation Included:** Required minimum wage in cash and/or allowable equivalent
- **Deductions:** Illegal deductions, minimum wage not paid
- **Tipped Employees:** Tips not retained by employees, cash wage not paid
- *Hours Worked:* Work suffered or permitted not recorded, or paid



Covered, non-exempt employees must receive one and one-half times their regular rate of pay for all hours worked over forty in a workweek

All time that is hours worked must be counted when determining overtime hours worked.





- Compliance determined by workweek
- Each workweek stands alone
- Workweek is 7 consecutive 24-hour periods (168 hours)

Regular Rate

 Determined by dividing total earnings in workweek (except for statutory exclusions) by total number of hours worked in workweek

> Total Compensation (except for statutory exclusions) ÷

Total Hours Worked = RR

- *Regular Rate* may not be less than the applicable minimum wage
- Total earnings include commissions, certain bonuses, and cost of room, board, and other facilities provided primarily for the employee's benefit

Regular Rate and Premium Pay for OT Hours

STEP 1: Total compensation paid in a workweek (except for statutory exclusions) divided by total hours worked in the workweek

Total Compensation (except for statutory exclusions)

÷ Total Hours Worked = RR

- **STEP 2: RR** x .5 = Half-time Premium Pay per OT Hour
- **STEP 3:** (Half-time) Premium Pay Rate x Overtime Hours in the Workweek = Overtime Compensation Due



Exercise: Production Bonus

Hourly Rate:	\$9.00	48H x \$9.00 =	\$432.00
Bonus per week:	\$10.00	\$432 + \$10.00 =	\$442.00
Hours worked:	48	\$442.00 ÷ 48H =	\$9.21 RR
		\$9.21 x .5 =	\$4.61
		\$4.61 x 8H =	\$36.88 OT
Total compensation for week:		\$442.00 + \$36.88 = \$478.88	



Exercise: Different Hourly Rates

Janitor Rate:	\$8.50	21H x \$8.50 =	\$178.50
Janitor Hours:	21	26H x \$9.00 =	\$234.00
Cook Rate:	\$9.00	\$178.50 + \$234 =	\$412.50
Cook Hours:	26	\$412.50 ÷ 47H =	\$8.78 RR
Total Hours:	47	\$8.78 x .5 =	\$4.39
		\$4.39 x 7H =	\$30.73 OT

Total compensation for week: \$412.50 + \$30.73 = \$443.23



Exercise: Piece Rates

Piece Rate Wages		46H @ Piece Rate:	\$391.00
for week :	\$391.00	4H x \$7.25 =	\$29.00
Piece Rate Hours:	46	Production Bonus:	\$12.50
Wait Time Rate:	\$7.25	Total ST Earnings:	\$432.50
Wait Time Hours:	4	\$432÷50H =	\$8.65 RR
Production Bonus		\$8.65 x .5 =	\$4.33
for week :	\$12.50	\$4.33 x 10H =	\$43.30 OT
Total Hours Worked:	50		
Total compensation for week:		\$432.50 + \$43.30 =	\$475.80



Exercise: Salary for Fixed Hours

Weekly Salary for40 hours:\$420.00Fixed Hours:40Hours Worked40that workweek:48

\$10.50 x 1.5 = \$15.75 OT Rate \$15.75 x 8H = \$126.00 OT \$420 + \$126 = \$546.00 Total compensation due, including OT

 $420 \div 40 = 10.50 \text{ RR}$



Exercise: Fixed Salary for Fluctuating Hours

Weekly Salary-fo	r all
hours worked:	\$420.00

Week 1 Hours Worked: 49 \$420 ÷ 49H = \$8.57 **RR**

Additional Half-Time Rate:

\$8.57 x .5 = \$4.29 \$4.29 x 9H = \$38.61 OT \$420 + \$38.61 = \$458.61Total compensation due for Week 1



Exercise: Fixed Salary for Fluctuating Hours

hours worked :	\$420.00	\$420 ÷ 41H =	\$10.24 RR

Week 2

Hours Worked: 41

Additional Half-Time Rate:

\$10.24 x .5 = \$5.12 \$5.12 x 1H = \$5.12 OT \$420 + \$5.12 = \$425.12 Total compensation due for Week 2

24

Common Overtime Violations

- **Regular Rate:** Failure to include production bonuses, shift differentials, piece rates in determining the regular rate for calculating OT compensation due
- **Combined hours, rates for dual jobs:** Failure to combine all hours in dual jobs or multiple sites of single employer
- **Tipped Employees:** Failure to calculate correct cash OT payment

Common Overtime Violations

- "White Collar" Exemptions: Misapplication of exemption, or improper assumption that all salaried employees are exempt
- **Deductions:** Improper deductions in OT weeks
- **Misclassification:** Improper treatment of employee as independent contractor
- Hours worked: Failure to record, pay for all hours worked
- State Law: Confusion between state and federal law

Youth Employment



Federal youth employment rules set both hours and occupational standards for youth



Youth Employment

• 16 and 17 year olds

Unlimited hours; may work in any occupation other than those declared hazardous by Secretary of Labor

• 14 and 15 year olds

May work outside school hours and for limited periods of time; only non-manufacturing, non-hazardous jobs, and specific conditions apply

• Children under 14

With limited exceptions, no employment permitted in covered, non-agricultural occupations

Recordkeeping



- All employers subject to any provision of the FLSA must make, keep, and preserve certain records
- Time clocks are not required and records need not be kept in any particular form
- Every covered employer must keep basic records for each worker, with additional requirements for non-exempt workers



FLSA Enforcement

Limits of the FLSA FLSA does *NOT* require

- Vacation, holiday, severance, sick pay
- Meal or rest periods, holidays off, vacations
- Premium pay for weekend or holiday work
- Discharge notice, reason for discharge
- Limit on number of hours or days employees 16 years or older may work
- Pay raises, fringe benefits

FLSA Compliance Assistance

- Call WHD toll free and confidential information and helpline: 1-866-4US-WAGE (1-866-487-9243)
- Call or visit the nearest Wage and Hour Division Office: <u>WHD Offices</u>
- Employment Laws Assistance for Workers and Small Businesses (ELAWS): <u>Elaws</u>

Wage and Hour Division

Disclaimer

This presentation is intended as general information only and does not carry the force of legal opinion. The Department of Labor is providing this information as a public service. This information and related materials are presented to give the public access to information on Department of Labor programs. You should be aware that, while we try to keep the information timely and accurate, there will often be a delay between official publications of the materials and the modifications of these pages. Therefore, we make no express or implied guarantees. The *Federal Register* and the *Code of Federal Regulations* remain the official source for regulatory information published by the Department of Labor. We will make every effort to keep this information current and to correct errors brought to our attention.

The Families First Coronavirus Response Act (FFCRA)

WAGE AND HOUR DIVISION UNITED STATES DEPARTMENT OF LABOR



Family First Coronavirus Response Act (FFCRA)



- Signed into law March 18, 2020
 - Emergency Paid Sick Leave Act (EPSLA)
 - Emergency Family and Medical Leave Expansion Act (EFMLEA)
- Effective April 1, 2020
- Expires **December 31, 2020**
- Enforced by the U.S. Department of Labor Wage and Hour Division (WHD)
 WAGE AND HOUR DIVISION
 UNITED STATES DEPARTMENT
 OF LABOR





- Private Sector
 - Employers of fewer than 500 employees
 - Including not for profit employers
- Public Agencies
 - Regardless of the number of employees they employ

WAGE AND HOUR DIVISION UNITED STATES DEPARTMENT OF LABOR



FFCRA-Qualifying Reasons for Leave

An employee is entitled to take leave if the employee is unable to work or telework because the employee:

- Is subject to a federal, state, or local quarantine or isolation order related to COVID-19,
- Has been advised by a health care provider to self-quarantine related to COVID-19,
- Is experiencing COVID-19 symptoms and is seeking a medical diagnosis,

WAGE AND HOUR DIVISION UNITED STATES DEPARTMENT OF LABOR



FFCRA-Qualifying Reasons for Leave (Continued)

(Continued) An employee is entitled to take leave if the employee is unable to work or telework because the employee:

- Is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or has been advised by a health care provider to self-quarantine related to COVID-19,
- Is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons, or
- Is experiencing any otheosubstantially-similar condition specified by the U.S.
 Department Human Services



FFCRA-Exclusion of Health Care Providers and Emergency Responders

Employers may exclude employees who are either:

- Health Care Providers, or
- Emergency Responders

WAGE AND HOUR DIVISION UNITED STATES DEPARTMENT OF LABOR





- Families First Coronavirus Response Act: Employee Paid Leave Rights Also available in Spanish
- Families First Coronavirus Response Act: Employer Paid Leave Requirements Also available in Spanish
- Families First Coronavirus Response Act: Questions and Answers
- Field Assistance Bulletin (FAB) No. 2020-1
- (Poster) Employee Rights: Paid Sick Leave and Expanded Family and Medical Leave under The Families First Coronavirus Response Act (FFCRA) - Also available in Spanish
- Families First Coronavirus Response Act Notice Frequently Asked Questions
- <u>(Poster) Wegeren Pringuren Wiging:</u> Paid Sick Leave and Expanded Family and Medical Leave under the Families UNITED STATES REPORT AND A CT Also available in Spanish
- <u>WHD-COVID19@dol.gov</u> *Email address for questions*



Questions?

Send your question by Chat:

• Open the Chat panel



- In the Send To or To drop-down list, select the recipient of your question
- Type your message in the **Chat** text box, then press **Enter** on your keyboard.

Working Together to Serve Diverse Communities: A Virtual Resource Fair