

# Wage and Hour Division

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## **WHD Mission**

To promote and achieve compliance with labor standards to protect and enhance the welfare of the nation's workforce.

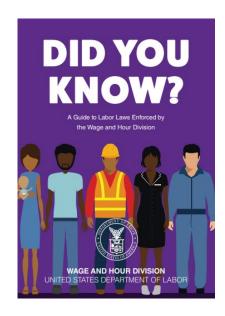






## Laws Enforced by WHD

- Fair Labor Standards Act
- Family and Medical Leave Act
- Service Contract Act
   ■
- Davis Bacon and Related Acts
- Employee Polygraph Protection Act
- Wage Garnishment Provisions of the Consumer
   Credit Protection Act
- Agricultural Employment







## **Promoting Compliance and Worker Voice**

- End <u>misclassification</u> that denies workers access to basic rights and benefits
- Address <u>retaliation</u> by protecting the rights of workers who assert their rights
- Prioritize low-wage workers and underserved communities facing structural inequities







## State and Local Governments Under the

## FAIR LABOR STANDARDS ACT





# **Major Provisions**



Coverage



Youth Employment



Minimum Wage



Recordkeeping



**Overtime** 

## Coverage

The requirements of the FLSA apply to employees of *public agencies* 

## The FLSA **does not** apply to:

- Holders of public elective office
- Elected official's personal staff
- Policy makers appointed by elected officials
- Legal advisors to elected officials
- Volunteers



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)
- Reasonable cost of room, board, other "facilities" provided by employer for employee's benefit

#### **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**

Employee unable to use "waiting time" effectively for own purposes

"Waiting time" controlled by employer

#### **NOT hours worked**

Employee completely relieved from duty

Break-time long enough for employee to use for own purposes

#### **On-Call Time**

#### **Hours worked**

Employee must stay on employer premises

Or, must be so close time cannot be used effectively for own purposes

#### **NOT hours worked**

Employee must provide contact information

Can use time effectively for own purposes

#### **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
- Sleep Time: deduct for sleep in less than 24-hour shift



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.



#### **Regular Rate and Premium Pay for OT Hours**

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

#### Total Compensation $\div$ Total Hours = 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

#### **Exemptions**

There are numerous exemptions from the minimum wage and/or overtime standards of the FLSA

One of the most common FLSA minimum wage and overtime exemptions is for executive, administrative or professional employees, and is often called the "White Collar" or "EAP" exemption

Three Tests for the "White Collar" Exemptions





## "WHITE COLLAR" EXEMPTIONS



Section 13(a)(1) of the FLSA provides an exemption from both minimum wage and overtime pay for employees who are employed in a bona fide:

- Executive;
- Administrative;
- Professional; or
- Outside Sales capacity





## **CERTAIN COMPUTER EMPLOYEES**



Certain computer employees may be exempt professionals under Section 13(a)(1) or exempt under Section 13(a)(17) of the FLSA.

Exemption for certain computer employees







## **EXECUTIVE DUTIES**

- Primary duty is management of the enterprise or of a customarily recognized department or subdivision;
- <u>Customarily and regularly</u> directs the work of <u>two</u> or more other employees; and
- Authority to hire or fire other employees or whose suggestions and recommendations as to hiring, firing, advancement, promotion or other change of status of other employees are given <u>particular</u> <u>weight</u>







### **ADMINISTRATIVE DUTIES**

- Whose <u>primary duty</u> is the performance of office or non-manual work directly related to the <u>management or general business operations</u> of the employer or the <u>employer's customers</u>; and
- Whose primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.







# PROFESSIONAL EXEMPTION LEARNED PROFESSIONAL

- The employee's <u>primary duty</u> must be the performance of work requiring <u>advanced</u> <u>knowledge</u>
- In a field of science or learning
- <u>Customarily</u> acquired by a <u>prolonged course of</u> <u>specialized intellectual instruction</u>







## **CREATIVE PROFESSIONAL DUTIES**

The employee's <u>primary duty</u> must be the performance of work requiring <u>invention</u>, <u>imagination</u>, <u>originality or talent</u> in a <u>recognized field of artistic or creative</u> <u>endeavor</u>





### **Salary Basis Test**

- Regular, predetermined amount of compensation paid each pay period, on weekly or less frequent basis
- Compensation cannot be reduced due to variations in quality or quantity of work performed
- Compensation not required for any workweek when no work performed



# Minimum Salary Threshhold: July 1, 2024

On July 1, 2024, the standard salary level required for exemption will be \$844 per week

The \$844 per week may be paid in equivalent amounts for periods longer than one week:

Biweekly: \$1,688

Semimonthly: \$1,828.67

Monthly: \$3,657.33

Consistent with the current regulations, up to 10 percent of the standard salary level (\$84.40 per week) can be satisfied with nondiscretionary bonuses and incentive payments, including commissions

Final Rule: Restoring and Extending Overtime Protections

# Standard Salary Level and HCE Threshold

DATE	STANDARD SALARY LEVEL	HCE TOTAL ANNUAL COMPENSATION THRESHOLD
Before July 1, 2024	\$684 per week (equivalent to \$35,568 per year)	\$107,432 per year, including at least \$684 per week paid on a salary or fee basis.
July 1, 2024	\$844 per week (equivalent to \$43,888 per year)	\$132,964 per year, including at least \$844 per week paid on a salary or fee basis.
January 1, 2025	\$1,128 per week (equivalent to \$58,656 per year)	\$151,164 per year, including at least \$1,128 per week paid on a salary or fee basis.
July 1, 2027, and every 3 years thereafter	To be set using the methodology in effect at the time of the update based on current earnings data	To be set using the methodology in effect at the time of the update based on current earnings data.

Final Rule: Restoring and Extending Overtime Protections

### "White Collar" Exemptions – Job Duties

- Executive
- Administrative
- Professional
- Computer Employees
- Outside Sales



# Special Exception for State and Local Government Employees

- Hourly deductions required by state or local law may be made from a salaried employee's pay
- The employee is still exempt from overtime so long as her duties meet all other requirements

## Seasonal Amusement or Recreational Establishments

- No minimum wage or overtime is due employees of some seasonal amusement parks or recreational facilities
- The FLSA child labor requirements still apply in these establishments

## **Exemptions from Overtime Only**

- Substitution
- Occasional or sporadic part time employment

#### **Common Overtime Violations**

- "White Collar" Exemptions: Misapplication of exemption, or improper assumption that all salaried employees are exempt
- **Deductions:** Improper deductions in OT weeks
- Hours worked: Failure to record, pay for all hours worked
- State Law: Confusion between state and federal law
- Combined hours, rates for dual jobs: Failure to combine all hours in dual jobs or multiple sites of single employer

## **Compensatory Time**

Employees of State or local government agencies may receive compensatory time off instead of cash overtime pay at a rate of not less than one and one-half hours for each hour of overtime worked

# **Compensatory Time**

#### **Compensatory Time Limits**

Limited to 480 hours for:

- Law enforcement
- Fire protection
- Emergency response personnel
- Employees engaged in seasonal activities

Limited to 240 hours for all other employees

## **Compensatory Time**

#### **Compensatory Time Pay Out**

When a State or local government employee terminates employment, she must receive cash for the balance of her compensatory time

# Youth Employment



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



# Youth Employment

### **Resources**

- <u>Updated presentation for educators, minors, and parents</u>.
   (<u>Spanish</u>)
- YouthRules! resources, guide to dangerous and prohibited jobs, and short video series
- <u>Digital child labor flyer (Spanish)</u>
- If you know, or observe indicators, that youth may be illegally employed, contact the Wage and Hour Division at 1-866-487-9243 or online.

# Youth Employment



### Age 14 or 15

You may work in specific jobs, including:

- · Most office and retail jobs
- Most restaurant and fast food jobs serving customers
- Properly certified 15 year-olds can work as lifeguards

You may work outside school hours:

- Between 7 AM and 7 PM (until 9 PM from June 1st-Labor Day)
- No more than three hours on any school day (including Fridays)
- No more than 18 hours in any school week
- No more than eight hours on any non-school day
- No more than 40 hours in any non-school week

### Age 16 or 17

You may work any hours in any job not prohibited by law.

Dangerous jobs you may not work include:

- · Driving or helping a driver
- Operating most powerdriven machines, including grinders, mixers, saws, wood chippers, cutting machines, compactors and balers
- Operating forklifts, skidsteers, or other power-driven hoisting equipment
- Using or cleaning powerdriven meat processing machines (such as meat slicers)
- Working most jobs in meat and poultry slaughtering and packing plants
- Roofing
- Excavation

### Different Rules for Work on Farms Age 14 or 15

- You may work in specific jobs
- You may not work in certain farm jobs prohibited by law as dangerous

#### Age 16 or 17

 You may work in any farm job at any time

You may work on your family's farm at any age doing any job at any time

Federal law restricts the hours and jobs young workers may work, but federal minimum wage and overtime rules apply equally to all workers.

Your state, city or county may have different employment laws. Employers must follow the law giving the greatest protection to young workers.

Visit youthrules.gov for more information.

Visit youthrules.gov for more information and resources





Scan for more details Including the complete list of jobs youth may and may not do

# 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



# Recordkeeping

### **Compensatory Time Records**

State and local government employers must also keep specific records documenting compensatory time records and work periods

## **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**

**Fair Labor Standards Act of 1938** 

**Regulations** 

FLSA Poster.pdf

**Handy Reference Guide.pdf** 

**Frequently Asked Questions (FAQs)** 

Fact Sheets

**Opinion Letters** 

Visit the WHD home page: www.dol.gov/agencies/whd

### **Online Resources**

- Posters
- Publications-by-language
- Fact-sheets
- Compliance-assistance toolkits
- Newsroom press releases





### **Online Resources**

### **Track Your Hours: Just Tap the App**

- Employer and employee options
- Calculates pay automatically
- Records work hours simply and quickly
- Free for iOS and Android
- Available in English and Spanish



https://www.dol.gov/agencies/whd/ timesheet-app





### **Online Resources**

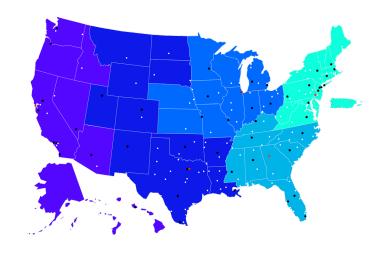


- Worker.gov
- Employer.gov
- Migrantworker.gov





### **Contact Us**



- Contact your local CORPS:
   CORPS Flyer
  - Visit us at:WHD Local Offices
  - Call the WHD toll-free information & helpline at:
     1-866-4US-WAGE

(1-866-487-9243)





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## Conclusion





