

Case Studies from Express



Fair Labor Standards Act

By studying other companies' Fair Labor Standards Act (FLSA) violations, you can learn what mistakes to avoid and what steps you should take to follow the FLSA in your workplace. Express Personnel Services is prepared to help you learn about this and other human resource issues. Contact Express today for more information on the FLSA and to find out how we can help solve your HR challenges.

The FLSA and Overtime Pay

A custom home builder paid its employees straight time for all hours worked, including any hours over 40 in a workweek. After someone tipped off the Department of Labor, the company agreed to pay \$56,624 for overtime back pay and \$5,500 in penalties.

What can we learn from this? Non-exempt employees are those paid an hourly rate rather than a weekly, bi-weekly, monthly or annual salary. You must make certain that these employees are paid no less than the minimum wage and are paid overtime for working more than 40 hours in one workweek.

Exempt Employees and Partial-Day Absences

Eighty-five employees of a large telecommunications company sued for overtime pay. Among those who sued were high-level employees, including vice presidents, the former in-house lawyer and even the HR director. The employees, who were exempt, sued claiming the company illegally docked their pay for a few hours. Under FLSA's salary rule, exempt employees' pay cannot be docked for partial-day absences.

What can we learn from this? You cannot dock the pay of exempt employees who are absent part of the day. If you do dock the pay of exempt employees, they can then lose their exempt status and become eligible for overtime. Also, they could sue for violations under FLSA.

FLSA and On-Call Workers

Two employees monitored building security alarm systems from 4:30 p.m. to 7:30 a.m. during the workweek, and 24-hours a day on weekends.

- Alarms registered on the employees' home computers and pagers. However, the pagers were only 70 percent reliable.
- Employees were disciplined if they did not respond to an alarm within 15 minutes. Therefore, they had to check their home computers every 15 minutes in case the pagers failed.

The court said the employees' freedom was too restricted. They were awarded 15-hours daily pay for the weekdays and 24-hours daily pay for the weekend.

What can we learn from this? If on-call hours seriously restrict employees' freedom of movement, you might have to pay them for the entire time they're on call.

FLSA and Overtime Hours

A roofing company requiring its non-exempt installers and maintenance employees to show up early to get the trucks and equipment ready did not pay their employees overtime. They also made these same non-exempt employees stay late to put the trucks and equipment away. The company was fined \$70,000 and ordered to pay back overtime.

What can we learn from this? Non-exempt employees are paid time-and-one-half their regular pay for any hour or fraction of an hour worked after 40 hours in a workweek.



www.expresspersonnel.com

