



Wage and Hour: Answers to Frequently Asked Questions

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What are wage and hour laws?

- Federal, state, and local laws that govern employees' wages and hours worked
- Minimum wage laws
- Overtime laws
- Meal and rest period laws
- Child labor



What if an employer fails to follow wage and hour laws?

- Audits/investigations
- Liability for overtime and
- Penalties
- Individual or class action lawsuits
- Look back period is three years

\$304 million

Who do wage and hour laws apply to?

- Generally, nonexempt employees
- Employees v. independent contractors
- Exempt v. nonexempt employees

What are the basic overtime rules?

- Over 40 hours in normal 7 day workweek
- 1.5 times employee's regular rate of pay
- Employees cannot waive right to overtime
- Can require overtime, but must pay appropriately

How is the “regular rate of pay” calculated?

- Hourly rate or base pay
- Plus commissions
- Plus nondiscretionary bonuses or rewards or other incentive pay
- For nonagricultural piece rate workers, calculate the worker’s total piece rate earnings and divide those earnings by the hours the worker has worked

Does an employee need to be paid for “off-the-clock” work?

- Yes
- If overtime, pay overtime rate
- Adopt policy prohibiting off-the-clock work
- Time card certification
- Consider allowing only key/exempt employees remote access
- Can discipline

What do I need to know about rest breaks?

- Paid
- 10 minutes for every 4 hours worked
- No more than 3 hours into work period

< 3 hours	3-7 hours	> 7 hours
No break	One 10 min. break	Two 10 min. breaks

- Mini breaks okay
- Piece rate workers = must pay for rest period time in addition to piece rate

What do I need to know about meal breaks?

- 30 minutes when working a 5+ hour shift
- Can be unpaid, if free from all duties
- If on-call or performing any work, then must be paid

- Meal waivers should be written, signed by employee
- Employers do not have to agree to waive meal periods

Can a company deduct from an employee's paycheck advances?

- Yes, if meet below requirements:
 - For the employee's benefit
 - Business cannot benefit financially except reasonable interest
 - Must have written agreement in advance
- Deduction during employment or from final paycheck
- Can reduce pay below minimum wage

What are appropriate deductions from a final paycheck?

- Parties must agree to deduction (oral ok, best to be written)
- Incidents of damage, theft, etc. that occurred in final pay period
 - Cash shortage in till (under certain circumstances)
 - Breakage, loss, damage but only if caused by dishonest or willful act
 - Theft, if dishonest/willful act and company filed a police report
 - Cannot reduce check below applicable minimum wage (employee cannot waive this)

What are appropriate deductions from a final paycheck? (cont.)

- Other agreements between company and worker
 - If for worker's personal benefit, can reduce below minimum wage
 - If for business's benefit, must meet minimum wage for all hours worked in final pay period



Thank you.

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