



# The Basics of Wage & Hour Law

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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



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

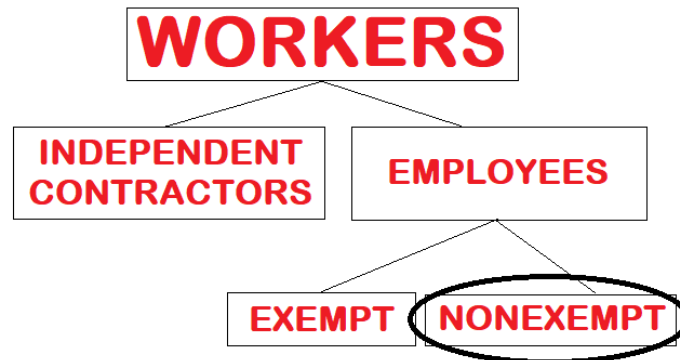
- Audits/investigations
- Liability for overtime and
- Penalties
- Individual or class action lawsuits
- Look back period is three years



## Who do wage and hour laws apply to?

- Generally, nonexempt employees

## Who do wage and hour laws apply to?



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## 2021 Minimum Wage?

- Washington: \$13.69 nonexempt employees outside Seattle
- Seattle:
  - Employers > 500 workers worldwide: \$16.69 per hour, regardless of contribution to medical benefits.
  - Employees 500 or less workers worldwide: \$16.69 per hour OR \$15.00 per hour is employer contributes at least \$1.69 per hour toward employee medical benefits and/or the employee earns at least \$1.69 per hour in reported tips.
- SeaTac: \$16.57 per hour

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## 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 (except RNs/LPNs), but must pay appropriately
- Certain specific exemption or alternative overtime arrangements



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## 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



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## 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



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## What do I need to know about rest breaks?

- Paid
- Cannot waive
- 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



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## What do I need to know about rest breaks?

(cont.)

- Piece rate workers = must pay rest period time in addition to piece rate
- Health care workers = scheduled and uninterrupted; if break interrupted, add'l 10 minutes; track missed rest periods
- Pregnant women and nursing mothers may be entitled to additional rest breaks available as required by law



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## 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



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## 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



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## 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)



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## 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



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# Thank you.

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