

Wage and Hour Law Compliance for Small Businesses

Presented By:

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For:

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Chamber of Commerce**
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Definition

Laws governing the employer's wage payment obligations and employer working conditions, including

Timing of wage payments

Manner and method of wage payments

Minimum wage and salary requirements

Overtime and double time requirements

Meal and rest period requirements

Exemptions from minimum wage and/or overtime



Definition (Cont.)

Laws governing the employer's wage payment obligations and employer working conditions, including

Provisions on wage deductions

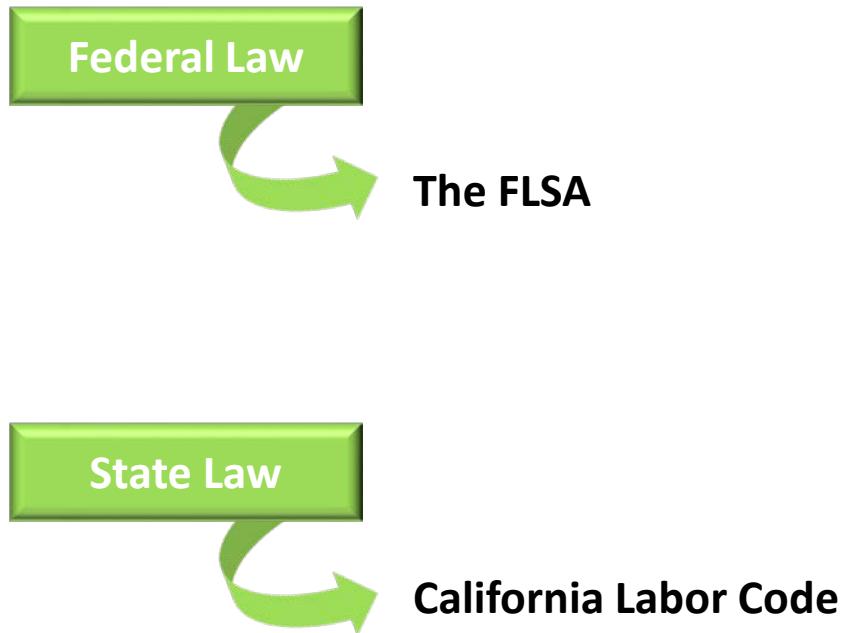
Expense reimbursement requirements

Itemized wage statement requirements

Paid and unpaid time off requirements

Split shift, reporting time, on call
and other premium requirements

Sources of Wage and Hour Laws



Requirements are derived from

- Statutes
- Regulations
- Court decisions
- DOL/DLSE Opinion Letters
- DLSE Enforcement & Interpretations Manual



Enforcement at Administrative Level

- U.S. Department of Labor
- California DLSE –
Labor Commissioner



Enforcement at Court Level

- DOL or Labor Commissioner suits
- Private right of actions – individual actions
- Representative (PAGA) and class actions
- Collective actions



Top



Reasons to Care about Wage/Hour Laws

- 1 Laws are complex, detail-oriented and not always intuitive
- 2 Violations can lead to costly agency or civil actions
- 3 Violations can lead to class or group-wide relief
- 4 Even unintentional violations can lead to litigation
- 5 Losing can be EXPENSIVE: Employer pays interest, various penalties and often the employee's attorneys' fees

Most Common Wage and Hour Claims Filed by Employees



Wage and Hour Claims Likely to Increase



Wage and Hour Claims Likely to Increase (Cont.)

California Labor Code Continues to Expand Employee Rights



Healthy Families, Healthy Workplaces Act of 2014

Expansion of employee Whistleblower protections

Piece Rate workers: rest, recovery period, and non-productive time compensation

AB970: LC authorized to investigate and enforce local overtime and minimum wage orders

Wage and Hour Claims Likely to Increase (Cont.)



**Minimum hourly rate for
non-exempt employees**



**Minimum salary level for
exempt employees**

Wage and Hour Claims Likely to Increase (Cont.)

U.S. Department of Labor recently amended the FLSA Regulations to make **more** employees overtime eligible!



Wage and Hour Claims Likely to Increase (Cont.)



Increases in minimum salary levels under California and federal law are likely to result in employer re-classification of more employees to non-exempt

Changes to FLSA in 2016



**First regulatory reform of FLSA
since 2004**



Changes effective 12/1/16

Changes to FLSA in 2016 (cont.)



**Change to Salary Level for
*Exempt Employees***



Executive

Administrative

Professional

Computer Professional

Highly Compensated

Changes to FLSA in 2016 (cont.)

Effective 12/1/2016, the salary level for exempt professional, executive, administrative and computer exempt employees will increase as follows:



Annual Salary ➡ \$47,476

Monthly Salary ➡ \$3,956

Biweekly Salary ➡ \$1,826

Weekly Salary ➡ \$913



Salary Level Under California Law



The salary level for exempt professional, executive and administrative employees under California law is



Annual Salary ➡ \$41,600

Monthly Salary ➡ \$3,467

Biweekly Salary ➡ \$1,600

Weekly Salary ➡ \$800

Salary Level Under California Law (Cont.)



CA salary level for exempt employees
will increase each year until 2022

Salary Level Under California Law (Cont.)

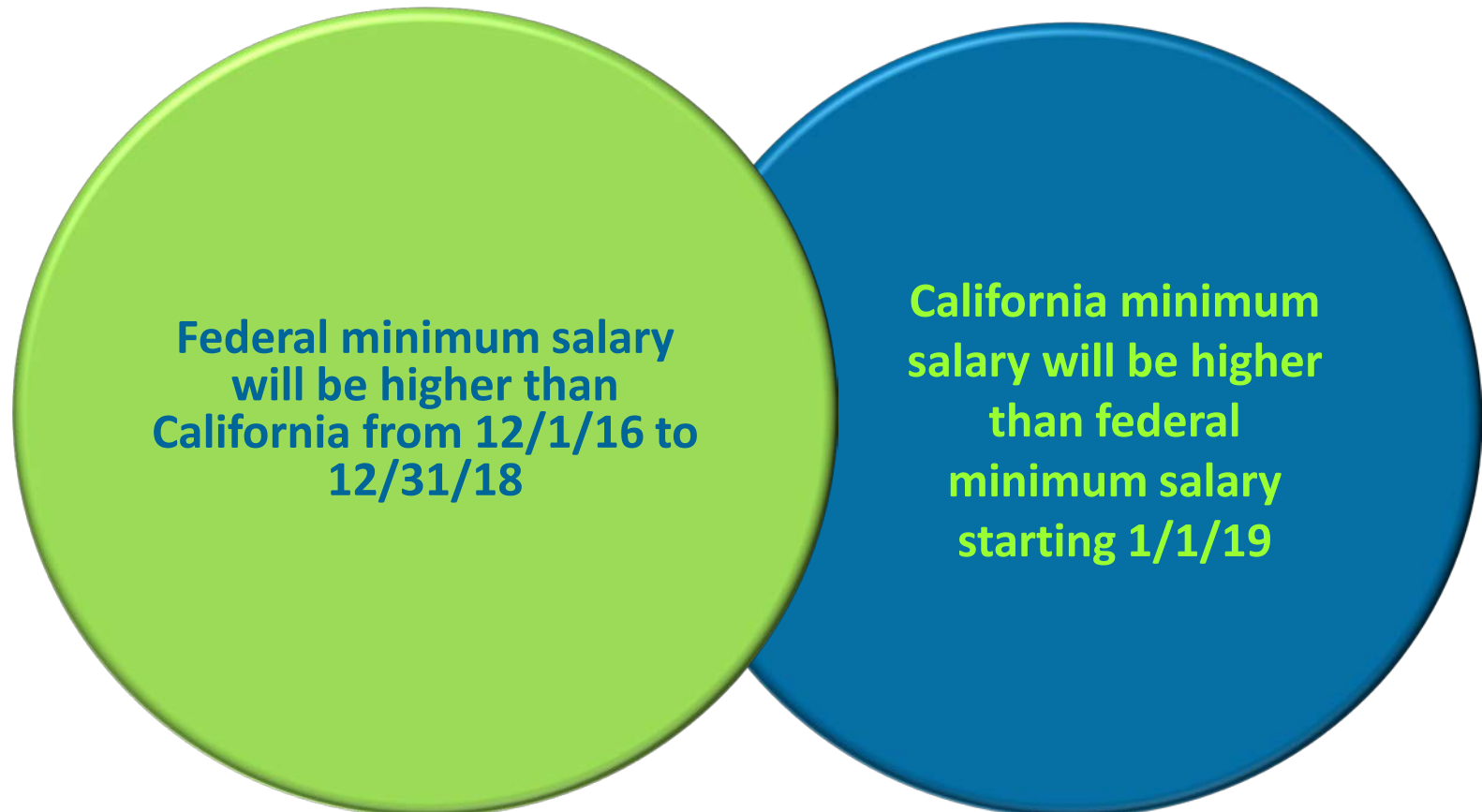
California Annual Salary Levels

Year	Minimum Salary	Minimum Wage
2017	\$ 43,680	\$10.50
2018	\$ 45,760	\$11.00
2019	\$49,920	\$12.00
2020	\$ 54,080	\$13.00
2021	\$ 58,240	\$14.00
2022	\$62,400	\$15.00



FLSA & California Law Overlap

Significance of FLSA and California Salary Level Changes



FLSA & California Law Overlap (Cont.)

Significance of FLSA and California Salary Level Changes

FLSA will again increase minimum salary on 1/1/20 and every three years thereafter automatically



Must pay greater of FLSA or California salary level to ensure employee is exempt

Next Steps



❖ Be prepared to make a salary or exemption adjustment

Increase Pay or Re-classify
Employees to Non-Exempt

❖ Ensure that exempt employees are properly classified given their job duties

❖ Use this time to audit your itemized wage statement, meal and rest period practices and other wage and hour practices

Questions?

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