

The McKenzie Mailer

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UPCOMING EVENTS

McKenzieHR and FCCJ
have teamed up to
provide a two day
seminar on the

Essentials of
Human Resources
Management.

April 13 and 14.

Contact Cindy Gray at
632-5064
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for more information.

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The Wage and Hour Division is Keeping Enforcement Promises

Six months ago, the new wage and hour guidelines went into effect with the Department of Labor promising to greatly step up their enforcement procedures. From the looks of the activity in the past six months, it is apparent that the Wage and Hour Division (WHD) of the Department of Labor (DOL) is living up to their commitment. Here are a few settlements that have been announced in the past few months:

- Big companies get caught. Cingular Wireless agreed to pay \$5.1 million in back wages for allowing employees to work "off the clock".
- Small companies are also targeted. The El Miroso Bakery of Plant City, Florida, was sued by the DOL and was ordered to pay over \$121,000 in back wages because it did not pay its employees overtime for time worked over 40 hours a week.
- Another Florida employer, L-3 Communications in St. Petersburg, Florida, incorrectly classified 186 employees as exempt when they should have been classified as non-exempt. L-3 agreed to pay over \$280,000 in back overtime pay to these employees.
- If you are lulled into thinking it is only the big companies that get caught, think again, as Lift, Inc., a Mississippi Day Care Center, was forced to pay \$30,000 in back overtime wages.
- If you are you a government entity and feel immune, the Davie County, North Carolina Sheriff's office had to pay nearly \$51,000 in back overtime pay.
- A firm involved in human resources ought to know better. Merritt Hawkins & Associates, a recruitment firm in Dallas, Texas, also incorrectly classified a number of employees as exempt. They had to pay over \$100,000 in back wages.
- Who would go after a non-profit or not-for-profit organization? LifeGift Donor Organ Center, a not-for-profit organ procurement organization, had to pay nearly \$376,000 in back overtime pay. They made the very common mistake of misclassifying 59 current and former employees as exempt.

We have said this before, but we believe that it is imperative that you take a look at the exempt positions in your workplace to be sure that they qualify for an exemption under the Fair Labor Standards Act guidelines. DO NOT wait until the Wage and Hour investigator comes to your door with a complaint in hand and then wants to take days or weeks to comb through your payroll records.

Knowing the rules is half the game; the other half is enforcing them. Know the rules for what qualifies as exempt, how to handle unauthorized overtime, how to handle training and travel time and other issues related to pay practices. Make sure managers and supervisors know the rules as well.

Wage and hour complaints have quickly become the employee grievance of choice. The complaint process is easier than the process followed by the Equal Employment Opportunity Commission (EEOC). Additionally, Wage and Hour resolves cases in about 90 days compared to years for the EEOC.

If you were after a few extra bucks what road would you take? The easier and faster route of the wage and hour division or the slow and complex route of the EEOC?