

# The McKenzie Mailer

June, 2004

Volume 4, Number 6

## ANNOUNCEMENTS

**Bob McKenzie will be  
the guest speaker at  
Association of Legal  
Administrators**

**July 13, 2004**  
-----

**It's not too early to  
think about becoming  
certified**

**SPHR/PHR Certification  
Class starting in  
September at the FCCJ  
Urban Resource Center**

**Call Phyllis Gardner at  
(904) 633-5968 for  
enrollment information.**

**200 Executive Way  
Ponte Vedra, FL 32082  
(904) 273-8637**

**[potential@mckenziehr.com](mailto:potential@mckenziehr.com)**

## **NEW WAGE & HOUR RULES – “A BIG SOMETHING”**

Last month's headline, "New Wage and Hour Rules – Almost a Big Nothing" seemed to have caused some confusion as it implied that companies need not worry about making changes. Therefore, some clarification is needed. Here are a few of facts you should know. First, most companies are in violation of the Fair Labor Standards Act. Second, the Department of Labor stated its intentions of greatly increasing enforcement efforts to ensure compliance with the new overtime regulations. A third fact is violations are expensive. For example, ten employees each earning \$500 per week who are mistakenly classified as exempt and work an average of 45 hours a week, will cost the violating company \$65,000 in back pay, not to mention the hours of administrative time needed to allow wage and hour investigators to root through records and interview employees. The Department of Labor is not shy about handing settlements and employees cannot waive their right to overtime compensation.

What Should You Do Now?

1. Take another look at your jobs to be sure that your exempt positions truly qualify for one of the four exemptions under the new regulations.
2. Review all of the salaries of your exempt employees. Under the new regulation, exempt employees must make at least \$455 per week or \$23,660 annually.
3. Develop a written policy that allows employees to question deductions from their pay. Under the new guidelines, employers who mistakenly make improper deductions from the pay of an employee, have an opportunity to make corrections if it is done in a timely basis. However, it is necessary that a policy is developed and distributed to employees.
4. Ensure that all non exempt employees are paid for all time worked. Time worked includes unauthorized overtime, eating lunch at ones desk if work is performed during the lunch break, working off the clock – like when your loyal employee clocks out and goes back to work because a project needs to be completed and overtime is not authorized or requiring employees to clock out for breaks of less than 20 minutes.
5. Develop written job descriptions that accurately portray the duties, responsibilities and qualifications of each position in your workplace.

Most importantly, have someone who is knowledgeable of the wage and hour regulations take a look at your pay practices. Paying a little now is much more cost effective than paying a whole lot later.

Have a great summer!