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Sikich HR Advisor

Wage & Hour Checklist – Part 1

Wage and Hour claims are on the rise. The Department of Labor suggests that approximately 75% of employers are not in compliance with the Fair Labor Standards Act and this number may be even higher. To make things even more challenging for employers, governmental agencies are now beginning to collaborate with each other, making the chances for claims even greater. Penalties for non-compliance are steep, going back a minimum of two years and three years if the violation is determined to be willful.

The following checklist will allow you to assess your current pay practices to ensure that you are paying employees correctly.

Training Time

1. Do you pay new hires for time spent in training and orientation? Y/N
2. Do you pay all non-exempt employees for training time that is mandatory and that is for the direct benefit of the employee's job? Y/N

Lunches and Breaks

3. Do you investigate laws pertaining to lunches and breaks in each state in which you have employees to ensure that you are in compliance? Y/N
4. Do you clearly communicate the policy for lunches and breaks respective to each state where you have employees? Y/N
5. Does your policy require non-exempt employees to take their lunch break and indicate disciplinary action for employees who do not follow the policy? Y/N
6. Do you ensure that all non-exempt employees are completely relieved from work during their lunch breaks? Y/N
7. Do your supervisors monitor lunches and breaks to ensure compliance? Y/N
8. Are your supervisors trained to enforce policies on lunches and breaks including disciplinary action? Y/N

Hours Worked

9. Are non-exempt employees paid for all hours worked over 40 in a work week? Y/N
10. Do you pay overtime to all employees even if the employee did not get prior authorization? Y/N
11. Do you have a generally distributed policy that indicates disciplinary action if a non-exempt employee doesn't get permission to work overtime? Y/N
12. Do you have a policy that prohibits working off the clock? Y/N



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13. Do you allow non-exempt employees to bank overtime hours in lieu of payment? Y/N
(Note – this is not allowed in the private sector)
14. Do you have a policy prohibiting non-exempt employees from checking emails or voicemails during non-working hours, unless advised by their supervisor? Y/N
15. Do you dock exempt employees pay outside of the following reasons: violation of a major safety rule, disciplinary suspension of one or more full day, employee working in first or last week or employment who have not worked a full week, for time already compensated under a disability or sick plan or full days off under FMLA? Y/N
16. Are all exempt dockings in increments of one day? Y/N
17. Do you maintain time sheets/records of hours worked for all employees that clearly support how employees are paid? Y/N

Travel Time

18. Do you pay non-exempt employees for travel time if the travel is outside of normal home to office travel? Y/N

For further details or help with these questions, please contact your subscription project manager or for other questions, contact Joyce Grenis at jgrenis@sikich.com, Jennifer Lollino at jlollino@sikich.com or Julie Strahl at jstrahl@sikich.com.