

806 - The Hard Numbers to Calculate: Complex Wage & Hour Liabilities

Elizabeth Bohannon

Employment Counsel Western Group

William Harrn

Senior Attorney
Southern California Edison

Keith Rummer

Vice President, Bancorp Director of Employee Relations Fifth Third Bank

Kimberly Strohm

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American Eagle Outfitters Inc

Faculty Biographies

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Travel Time Issues

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OUR HYPO CORP GUYS: Avg. 3 hours per week

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Training

- Non-Compensable Only if:
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OUR HYPO GUYS: one hour a week

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Side Bar What if?

- Employee Works as a Loan Processor, 8-5. Company has training program to become Loan Marketing Rep from 7 to 9 pm, 2 nights for 4 weeks. Curriculum involves listening in on incumbent loan rep's cold calls during 3rd week of class and making a dozen or so cold calls final night of class. Compensable? OT?
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On-Call

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- Blackberries? Computers at home?

OUR HYPO GUYS? - say 3 @ 24 hrs/wk

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The "Hard" Numbers Calculation

- The 'OT' claim (Avg. for meals, training, on-call, travel, etc.)
 - 8 x 1.5 x \$20/hr x 52 wks x 3yrs x 12
 - Plus taxes/insurance @ 15% = \$50,000
- The Liquidated Damages Penalty
 - Times 2
- Attorney Fees (Yours and Theirs)
 - Tough to quantify but \$ for dollar \$ in this case?
- State Penalties and Fines
 - Can dwarf damages
 - CA \$50 per violation, \$100 for repeated and willful
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 - Meal/Break penalties? 3yr x 3 hours/wk x \$20 = \$112,320
- The Total Nightmare? > \$500,000
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Correctly Classifying Employees

- Faulty exemptions classification can be very costly, burden always on employer
 - Settlement of disputes involving even a small numbers of employees can run in the hundreds of thousands if not millions of dollars in wages, fines, and attorney fees.



Exemption Basics

- Executive
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Exemption Criteria Applied Case by Case

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Some examples of recent exempt status clarifications by DOL/Courts

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- Insurance Claims Adjusters
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What if...

- ▶ ER has job classification of Project/Business Analyst, salary range is \$45-105k per year, EE's work M-F, with self directed flexible start times between 7:30 and 9:30 a.m., about 200 EE's in classification at various locations
- No deductions from weekly salary but absences are charged against accrued leave banks. After exhaustion of leave banks, only whole day absences deducted.
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What if... cont.

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The "Hard" Numbers Calculation

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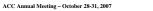
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