

# Checklist: Wage and Hour Claims

**Disclaimer:** This checklist is a summary of statutes and regulations and is intended only as a shorthand method to identify potential wage and hour claims. It is not a substitute for an examination of the applicable cases, statutes, and regulations.

## 1. Employment

\_\_\_ Was the individual "engaged to work, permitted to work, or suffered" to work?

\_\_\_ Was a purported "independent contractor" or "subcontractor" in "economic reality" an employee?

## 2. Employer Covered?

\_\_\_ Federal Fair Labor Standards Act (FLSA) requires "employees engaged in commerce or in the production of goods for commerce" and \$500,000 in annual gross sales or "business done." "Engaged in commerce" is broadly defined. File with federal agency or go to court.

\_\_\_ State wage and hour law requires only that a person, firm, or corporation employ 2 or more employees at any one time during a calendar year. File with state agency.

\_\_\_ Generally, state and local public agencies are covered.

## 3. Minimum Wages

\_\_\_ The state and federal minimum wage is \$5.15 an hour. For tipped employees, the state minimum wage is \$2.65, so long as tips at least make up the difference between the wage and the \$5.15 minimum wage.

## 4. Overtime

\_\_\_ Both federal and state law require private employers to pay overtime at 1½ times the regular hourly rate for all time worked over 40 hours in a "workweek." Generally, this is determined by the start of the employer's payroll period.

\_\_\_ "Comp time" for overtime is not permitted for private employers covered by FLSA, but can be used by government employers so long as any compensatory time is used within the same pay period at a rate of 1½ times the overtime worked. Special rules for police and fire personnel. Note: Under state law, private sector employees covered by collective bargaining agreements or "uncoerced" compensatory time requests can be paid compensatory time in lieu of overtime. MCL 408.384a.

## 5. Hours Worked

Note: Work actually performed is work that must be paid, regardless of a "no overtime" policy or requirement for prior approval of overtime or work after hours. Employers cannot expect or allow hourly employees to perform unpaid work.

\_\_\_ Was employee paid for all hours worked?

Note: In some cases, duties performed "off the clock" or before or after work hours are

compensable and may require regular or overtime compensation. Also, if "on call" or performing duties during unpaid lunch hour, pay or overtime may be due. Examples: clean up, uniform change, preparation or cleaning of equipment, closing out cash drawer.

\_\_\_\_\_ Was employee paid for "on call" time or duties required before or after work or during unpaid breaks or lunch periods?

## 6. Salaried Employees

Note: Many employers improperly classify employees as "salaried." Clerical and administrative jobs are often misclassified simply because they are white collar jobs. There is no overall "white collar" exemption from overtime requirements and "salaried" employees are improperly denied overtime and/or regular compensation just because they're deemed "salaried" and not paid hourly wages by their employers.

An "executive, administrative, or professional" salaried employee is exempt from overtime only if two tests are met. Both the salary and duties tests must be satisfied for salary status:

Duties test: employee's primary duties must be executive, administrative, or professional. Job titles and "honorifics" do not control, job duties must be analyzed. In general, at least half of employee's time in each work week must be actually spent in exempt duties to render job exempt from overtime requirements.

Salary test: employee must be compensated on a "salary basis." Regulations require payment of a predetermined salary amount without "reduction because of variations in the quality or quantity of work performed." This means that:

(1) salary amount is not cut if employee misses less than one day from work for illness or personal reasons (quantity of work), and

(2) unpaid disciplinary time off from work for salaried employees is not permitted for rule violations, other than violations of major safety rules (quality of work). Again, special rules apply for public employees in this area.

## 7. Retaliation

Employers cannot take any adverse action against an employee for complaining to an agency about his/her statutory wages or for participating in an investigation.

## 8. If You Believe that a Wage and Hour Violation Has Occurred Or to Get More Information

For a Federal Wage and Hour Complaint Call the U.S. Department of Labor, Wage and Hour Division:

In Eastern Michigan (Lansing, Bay City, Flint, Detroit, Monroe) call (313) 226-7447 or check your government listings for local subdistrict offices.

In Western Michigan and the Upper Peninsula, call the Grand Rapids office at 616 456-2004.

Or a Lawsuit To Enforce the FLSA Can Be Filed Directly in State or Federal Court. Note: State employees are barred from suing in court. Suit must be brought on their behalf by USDOL.

To Start a State Wage and Hour Complaint for those not covered by FLSA, or a wage non-payment claim, call (517) 322-1825 or file a written complaint on forms made available by the Department of Consumer & Industry Services, Wage and Hour Division.

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