



# Clocking In on Compliance: 2025 Wage and Hour Insights

February 19, 2025

Linda Hunter, Catapult

Tracey Cumberland, Curi



Presented with our trusted partner **CATAPULT**



# Agenda

1. Exempt & Non-Exempt
2. Overtime
3. Breaks
4. Travel & Mileage
5. Call Pay
6. Independent Contractors
7. Job Protection & Salary Continuation programs
8. Cost of Living vs. Cost of Labor



# Exempt & Non-Exempt



# The Real Definition of Exempt & Non-Exempt Employees:

- Exempt employees are exempt from having to be paid overtime
- Non-exempt employees must be paid overtime (1.5 pay) for any hours worked over 40 in a workweek



# Exemption Categories

- Executive
- Administrative
- Professional
- Computer
- Outside Sales



# Exemptions: Executive

To qualify for the executive employee exemption, all the following tests must be met:

- The employee must be compensated on a salary basis (as defined in the regulations) at a rate not less than \$684 per week;
- The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
- The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
- The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.



# Exemptions: Administrative

To qualify for the administrative employee exemption, all the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$684 per week;
- The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.



# Exemptions: Professional

To qualify for the **learned professional** employee exemption, all the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$684 per week;
- The employee's primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment;
- The advanced knowledge must be in a field of science or learning; and
- The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.



# Overtime



# How To Determine When Overtime Applies

- Only looked at physical hours worked to count towards 40
- OT paid based on weekly hours (unless otherwise directed by state or local law)
- No such thing as comp time



# FLSA Overtime Example

## Which scenarios drive overtime?

Week 1	Hours
Monday	8
Tuesday	6
Wednesday	10
Thursday	8
Friday	8
Saturday	
Sunday	

Week 2	Hours
Monday	8
Tuesday	8
Wednesday	8
Thursday	8
Friday	8
Saturday	4
Sunday	

Week 3	Hours
Monday	8 (PAID HOLIDAY)
Tuesday	10
Wednesday	8
Thursday	8
Friday	8
Saturday	
Sunday	



# How To Calculate OT

Must include:

- Non-discretionary bonus
- Commissions
- Pay differentials



# Pay Scenarios

## Scenario 1

Employee works 43 hours in a work week at a regular rate of \$20/hour + overtime rate

## Scenario 2

- Same as above. But what if they are also paid a 'travel' bonus for going to another office of \$50 and a performance bonus of \$100?

Time	Rate	Total
40 hours	\$20/hour Regular rate	\$800
3 hours (OT)	\$30/hour Overtime rate (regular rate x 1.5)	\$90
	<b>TOTAL</b>	<b>\$890</b>

Time	Rate	Total
40 hours	\$20/hour Regular rate	\$800
Bonuses	\$50 Travel Bonus \$100 Performance Bonus	\$150
3 hours (OT)	\$33.14/hour (Total earnings/total hours worked x 1.5) (\$800+\$50+\$100) / 43 hours = \$22.09 x 1.5	\$99.42
	<b>TOTAL</b>	<b>\$1049.42</b>

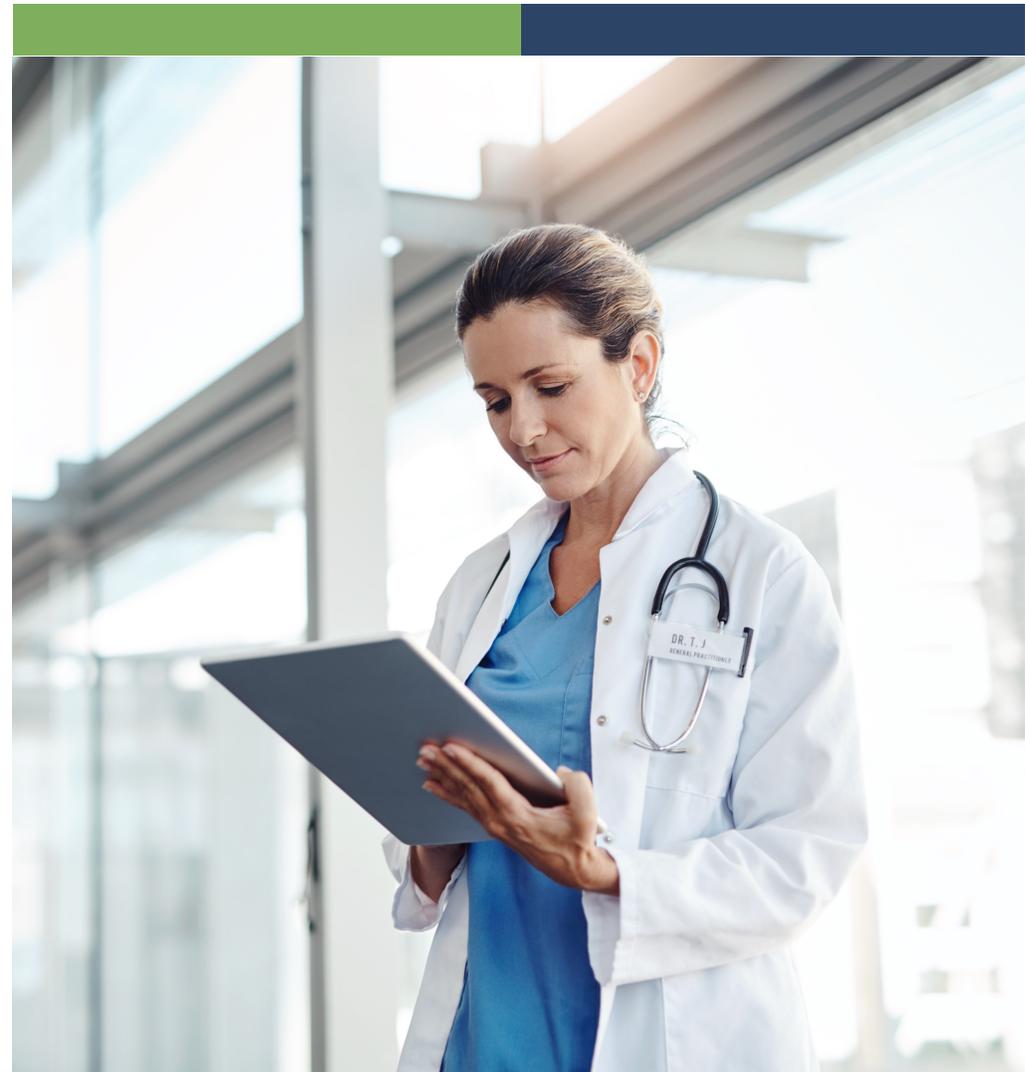


# Breaks



# Break Time

- Breaks, including meal breaks are not required by FLSA
- Check your state laws (give a few examples here)
- Breaks of 20 minutes or less are paid by the employer
- Breaks of 30 minutes or more do not have to be paid



# Travel & Mileage



# Travel Time & Mileage

Mileage is per company policy; IRS 2025 rate is \$.70/mile

Type of Travel	Compensable	Not Compensable
Home-to-work commute		✓
Travel to different worksites during the workday	✓	
Travel to a different city, returning the same day	✓	
Travel that requires an overnight stay		
During regular work hours	✓	
Outside of regular work hours		✓
Driving that is required by the employer	✓	



# Call Pay



## HR COMPLIANCE: WAGE & HOUR

- Waiting to be Engaged-not compensable until work is actually performed
  - Employee has control of their time
- Engaged to Wait-compensable for entire time
  - Employer has control of time

# On-Call Pay



# Independent Contractors



# Who Can Be An Independent Contractor?

## Six factors to consider:

1. The degree to which the employer controls how the work is done.
2. The worker's opportunity for profit or loss.
3. The amount of skill and initiative required for the work.
4. The degree of permanence of the working relationship.
5. The worker's investment in equipment or materials required for the task.
6. The extent to which the service rendered is an integral part of the employer's business.



# Job Protection & Salary Continuation Programs



# Job Protected Leave vs. Salary Continuation Programs:

Job Protection	Salary Continuation
FMLA	WC
ADA	STD
	LTD
	Paid Leave—PTO, Sick, State Programs

**WATCH OUR WEBINAR:** [ADA, FMLA, Workers' Compensation: Understanding The Bermuda Triangle of Employment Law](#)



# Cost of Living vs. Cost of Labor



# Cost of Living vs. Cost of Labor

## **COST OF LIVING**

What individuals pay to maintain their lifestyle.

This includes rent, utilities, transportation, groceries, etc.

## **COST OF LABOR**

What an employer pays an incumbent for performing a job.

This includes salaries and benefits.



HR COMPLIANCE: WAGE & HOUR

## Pay Transparency- Employer Benefits:

- Enhanced Levels of Trust
- Greater Pay Equity
- Stronger Company Culture
- Broader Legal Compliance
- Streamlined Talent Acquisition
- Improved Employee Retention



# Deductions From Pay

## EXEMPT

- During first or last week of employment
- Personal day (full-day only)
- Sickness or disability with a bona fide leave plan in place (full-day)
- FMLA (full- or partial-day)
- Disciplinary suspension for violating workplace conduct rules (full-day)
- Major safety violations (full- or partial-day)

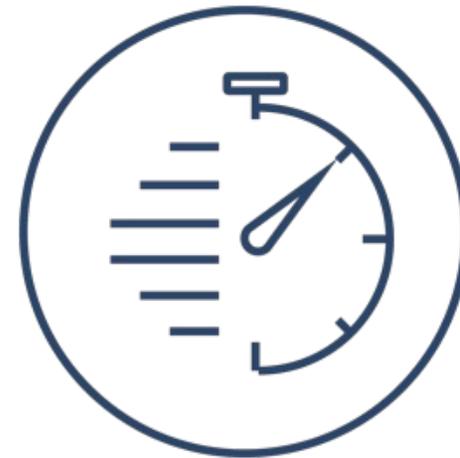
## NON-EXEMPT

- Generally ok with proper authorizations (state specific)



# How To Help Ensure Wage & Hour Compliance?

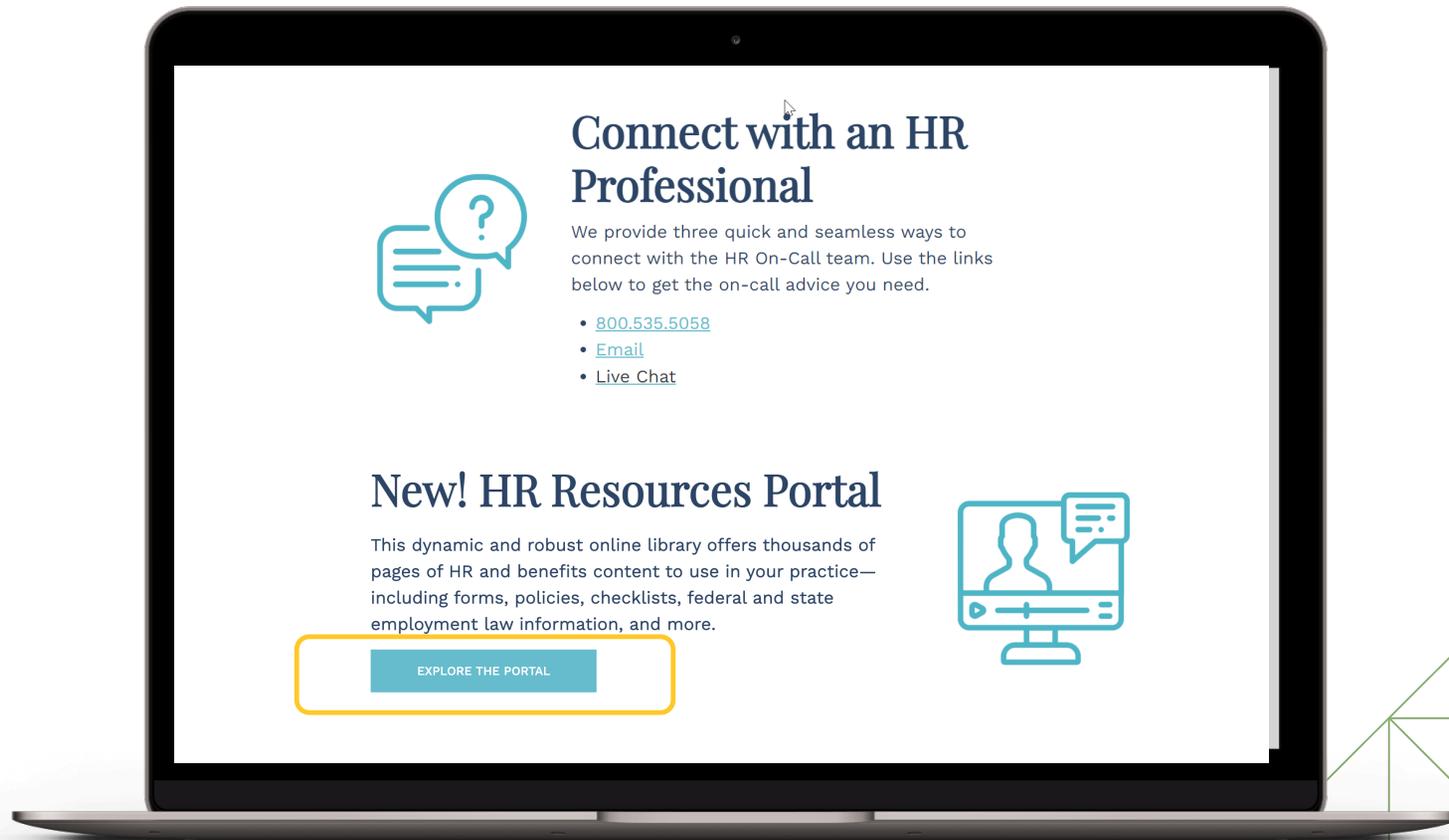
1. Regular Employee Training
2. Clear Policies and Procedures
3. Timekeeping system review
4. Know your trusted resources:
  - Consult with HR On-Call
  - Don't rely on Google or Chat GPT



# Questions?



# HR On-Call



# HR Solutions for You & Your Practice

## COMPLIMENTARY SERVICES\*

### (including HR On-Call)

- Unlimited access to timely HR advice, via phone, email, and live chat\*\*
- A dynamic online HR Resources Portal\*\*
- OIG exclusion list monitoring\*\*\*

## INCREMENTAL SOLUTIONS

- Full-service talent acquisition, recruiting, and onboarding
- Customized staff/leadership training and development
- Executive-level recruiting
- Management incentive plans
- Part-time HR services and representation\*\*
- Background checks and assessments for current employees and candidates\*\*
- Compensation reviews for all employee levels
- And more!

Scan here to  
learn more!



\*Services complimentary for Curi member practices only; available to non-member practices as an annual subscription

\*\*Services powered by our external partner Catapult

\*\*\*Services powered by our external partner Venops



# Looking for ideas to help you recruit & retain?



Scan here to  
download our free  
eBook!



# Thank you!

Tracey Cumberland  
Managing Director, Practice Consulting  
tracey.cumberland@curi.com  
571-499-0441



Curi®

**CELEBRATING 50 YEARS**  
OF ENHANCING THE LIVES  
OF THOSE WE SERVE

