

5 CRITICAL

Wage and Hour Issues
Impacting Employers

CONTENTS

All employers experience challenges, but when it comes to wage and hour, there are five important issues that most commonly impact employers and their businesses.

Have you experienced any of these challenges? How has it impacted your business?

1. INCREASE IN COUNTY AND CITY MINIMUM WAGE AND PAID SICK LEAVE ORDINANCES

2. INCREASE IN STATE LABOR LAW PREEMPTION LAWS

3. MINIMUM WAGE RATE MANAGEMENT COMPLEXITY

4. PREDICTIVE SCHEDULING ORDINANCES

5. WAGE THEFT LITIGATION



1. INCREASE IN COUNTY AND CITY MINIMUM WAGE AND PAID SICK LEAVE ORDINANCES

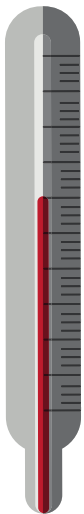
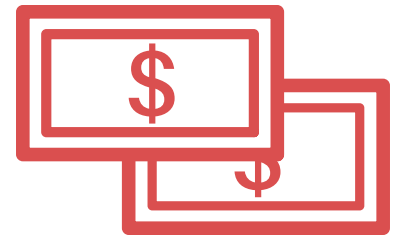
MINIMUM WAGE

Local wage laws are on the rise. To date, six counties and 32 U.S. cities have minimum wage laws.

Increased wages account for living factors specific to the geographic location. For example, major metropolitan areas tend to have higher costs of living, making higher wages a necessity.

In addition, local jurisdictions can pass and update laws at a faster pace, whereas there's:

- Inaction at the federal level
- A slower process in states, due to varying demographics, politics and other factors



PAID SICK LEAVE

Like minimum wage, local jurisdictions can pass and update paid sick leave laws at a quicker pace than at the federal level, leading to an increase in new laws.

To date, there are three counties and 25 cities with paid sick leave laws.

2. INCREASE IN STATE LABOR LAW PREEMPTION LAWS

We also see an increase in state preemption laws because:

- Some states are concerned multiple minimum wage rate requirements – federal, state, county, city – create confusion for employers
- Certain areas have higher minimum wage rates, and states are wary employers may take a financial hit and decide to close or move locations to lower minimum wage areas

To date, 26 states have local preemption laws.

What is preemption?

There are two types:

- Full Preemption, where states choose to supersede all county and city powers over workplace laws
- Selective Preemption, where states choose to supersede a limited subset of workplace laws (like minimum wage)

3. MINIMUM WAGE RATE MANAGEMENT COMPLEXITY

Given the trends of local level minimum wage activity and state preemption, it is obvious the process of managing rates – and their changes – is challenging.

You may have to:

Monitor all the latest federal, state, county and city minimum wage rates

Determine which rate applies to each location

Sift through news alerts, blogs, agency websites – and more

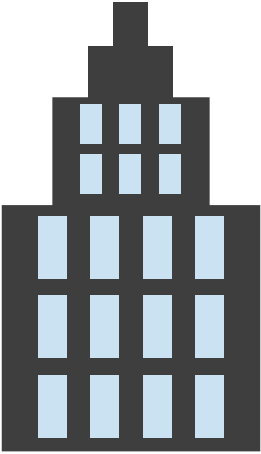
Consult with inside or outside legal counsel

And where do you keep all this minimum wage data – In a spreadsheet? A Google Doc?

Not only is this process challenging, it's unscalable, given the number and frequency of changes.

It's also manual, and therefore prone to human error.

4. PREDICTIVE SCHEDULING ORDINANCES



Larger cities, such as New York City and San Francisco, have recently banned the practice of “on-call scheduling” for retail employers.

In the past, on-call scheduling was utilized to combat the unpredictable fluctuations in customer flow experienced in the retail industry.

Employees oppose on-call scheduling in some cases for the following reasons:

- They are unable to predict their income because the number of hours worked is unclear
- The lack of a predictive schedule impacts the planning of day-to-day life, such as the ability to schedule appointments, attend school or hold a second job

With new ordinances for predictive scheduling, employers may need to create schedules and budgets to manage the fluctuations in customer flow.

5. WAGE THEFT LITIGATION

With the increase in county and city minimum wage laws, state preemption laws and predictive scheduling ordinances, employers need to be wary of wage theft and litigation.

What is Wage Theft?

Wage theft occurs when employees do not receive their legally or contractually promised wages, including:

- Non-payment of overtime
- Not giving employees their last paycheck after he/she leaves a job
- Not paying for all the hours worked
- Not paying minimum wage
- Not paying an employee at all



Recent Advances in Wage Theft Prevention

- Many states are proposing an increase in the amount of money an employer would owe their employee if they violate wage theft laws
- New consequences proposed include revoking the employer's business license, increasing criminal punishment and extending the statute of limitations

SUMMARY

You're not alone in the battle of managing wage and hour issues! It is common to feel the stress of these five items:

1. Increase in County and City Minimum Wage and Paid Sick Leave Ordinances
2. Increase in State Labor Law Preemption Laws
3. Minimum Wage Rate Management Complexity
4. Predictive Scheduling Ordinances
5. Wage Theft Litigation

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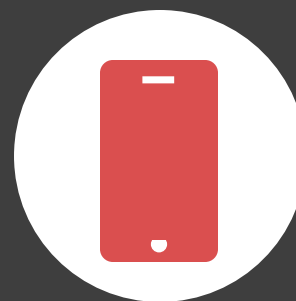
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