

BEST PRACTICES

Wage and Hour Claims in Hospitality

Identify common violations and implement best practices

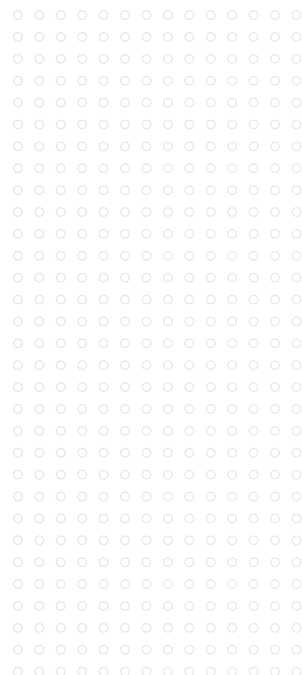


The hospitality industry is most susceptible to wage and hour claims and ranks #1 in volume of Fair Labor Standards Act claims. Review the following common violations and implement these best practices to minimize employee lawsuits.

MOST COMMON WAGE AND HOUR VIOLATIONS

Your current wage and hour practices may be violating employee wage and hour rights. Review these common scenarios with front-line management and staff to understand where improvements can be made.

- 1. Allowing Prep Time Compensation.** Depending on the employee and the job, an employee may be entitled to pay for the time it takes to change in and out of uniforms or special apparel. Check your local and state law.
- 2. Calculating Overtime.** Properly calculating an employee's regular rate of pay when non-discretionary bonuses are earned in a particular pay period could expose businesses to various statutory penalties.
- 3. Rounding Hours.** While rounding time is generally permissible, it must be fair to both the employee and employer, and could expose employers to legal challenges that require you to defend the fairness of the practice.
- 4. Permitting Additional Breaks.** Making accommodations for additional breaks beyond what is common in the industry is not generally compensable and should be documented accordingly.¹



BEST PRACTICES TO MINIMIZE YOUR RISK OF VIOLATIONS

Implement these six best practices to develop a compliant wage and hour policy.

- 1. Document Policies and Procedures.** Include adequate and detailed information about your company's wage and hour-related policies, including meal and rest breaks. Have your policies in writing and make sure that employees know they are relieved of all their duties during their break time.
- 2. Review Time Cards.** Make sure employees take their break, and do so in a timely manner.
- 3. Waive the Meal Break.** Meal break waivers are sometimes permissible, but they should be done in writing and signed by the employee each time he/she intends to give up a break.
- 4. Know and Follow the Law.** Train supervisors and managers on the law, and what they can do to be compliant.
- 5. Pay for Missed Meal Periods.** Regardless of how or why a meal period is missed, always discuss, document and pay for time worked.
- 6. Consult Outside Employment Counsel.** Work with outside counsel specializing in local employment law to discuss policies and practices to avoid future claims.

Wage and hour claims are time-consuming, can jeopardize your reputation and erode staff productivity. Protect your business by following the law and securing an Employment Practices Liability wage and hour endorsement.

Protect what matters most

We can advise you on how to implement wage and hour best practices that reduce violations and protect your business in the face of EPL claims.

¹ http://www.dol.gov/whd/opinion/FLSA/2018/2018_04_12_02_FLSA.pdf