

Wage & Hour Compliance

Top 5 Employer Risks — Quick Reference Guide

CORE Compliance™

Leadership System Series

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Thank you for registering. This guide previews the five wage and hour topics we'll unpack together.

Save it, share it, and bring your questions.

01

Classification Errors | *Employee vs. Independent Contractor*

Misclassifying workers exposes employers to back wages, unpaid benefits, and significant penalties under the FLSA and state law.

Watch For:

- ▶ Economic dependence test (FLSA)
- ▶ ABC test applied in many states
- ▶ IRS common-law control factors

Ask Yourself Before the Webinar

- Do you use independent contractors?
- If so, what is the documented business rationale for each relationship?
- Who made the classification decision — and when was it last reviewed?

02

Overtime Calculation Pitfalls | *Regular Rate of Pay Errors*

Bonuses, shift differentials, and non-discretionary incentives must be factored into the regular rate — most employers calculate this incorrectly.

Watch For:

- ▶ Flat-sum bonuses excluded from OT base
- ▶ Shift differentials miscalculated
- ▶ Misapplied or outdated exemption classifications

Ask Yourself Before the Webinar

- Do you know how your organization calculates the regular rate of pay?
- Are bonuses, differentials, or incentives included in that formula?
- When did payroll last audit your overtime calculation methodology?

03

Off-the-Clock Work Exposure | *Compensable Time Gaps*

Pre-shift prep, post-shift wrap-up, mandatory training, and device checks all count as compensable time — even when treated informally.

Watch For:

- ▶ “Just a few minutes” cultural patterns
- ▶ Donning/doffing PPE or uniforms
- ▶ Required pre-shift system logins or device checks

Ask Yourself Before the Webinar

- Do you have a written policy defining when the workday starts and ends?
- Are managers trained to prevent — not just ignoring off-clock work?
- Are employees trained on what time is compensable and how to report it?

04

Break and Premium Pay Risks | *State Law Divergence from Federal Standards*

Federal law does not require meal breaks, but most states do — with premium pay penalties triggered by missed, short, or interrupted breaks.

Watch For:

- ▶ Auto-deduct meal period policies
- ▶ Interrupted or on-duty meal periods
- ▶ Missed rest breaks not tracked or logged

Ask Yourself Before the Webinar

- Do you know your break requirements for every state where you have employees?
- Are missed or interrupted breaks being tracked — and is premium pay being issued?
- Does your timekeeping system flag auto-deductions against actual clock-out data?

05

Policy and Documentation Gaps | *Recordkeeping Failures Under the FLSA*

Employers bear the burden of proof on hours worked. Incomplete, inconsistent, or altered records are presumed correct in the employee's favor.

Watch For:

- ▶ Rounding policies applied inconsistently
- ▶ Manager edits to time records without sign-off
- ▶ Missing records for remote or hybrid workers

Ask Yourself Before the Webinar

- What timekeeping system does your organization use — and is it tamper-evident?
- Are managers trained on what they can and cannot do to time records?
- When did you last audit your recordkeeping practices for remote or hybrid workers?

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