

PeopleForce Solutions

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Think Overtime Compliance is Optional? Think Again!

Failure to comply with overtime laws can result in both costly penalties paid to the government and damages to employees.

Complying with overtime laws can seem overwhelming, especially in tough times when every company is trying to do more with less. Employers need to know that failure to adhere to overtime rules can put their company at serious risk for employee lawsuits and government auditing.

Most overtime violations stem from non-compliant pay practices involving more than one employee and occurring over a period of time. The burden of proof is on the employer, not the employee. When in the hot seat, organizations that use manual employee time tracking processes often must scramble to locate and reconstruct their records.

The cost of non-compliance is staggering. Employee awards of triple the amount of unpaid wages for up to three years are common. Don't forget to add the cost of legal fees—your own, and often times the employee's attorney expenses and court cost.

According to www.overtimeadvisor.com, penalties and damages can include:

Penalties payable to the government:

- Civil penalties of up to \$1,000 for each violation and up to \$11,000 for each violation of the child labor laws
- Criminal prosecution and fines up to \$10,000
- Restraining shipments of goods produced through violations of the child labor, overtime and other wage and hour laws

Damages payable to workers:

- Unpaid wages plus liquidated damages equal to double the rate of unpaid wage – i.e., triple the amount of unpaid wages over a two or three year period
- Attorneys' fees and court costs

Compliance is the only way to protect your company. Using an automated time and attendance system such as Attendance on Demand can help by fairly and impartially enforcing your company's pay rules and flagging employees approaching overtime. It removes the worry and compliance headaches and lets you manage your overtime effectively.