



Wage and Hour Audits: 2022 Employer Checklist

- 1. Enlist an HR compliance expert or employment lawyer to assist.** Ensure they have deep understanding of applicable state and federal laws, (including where remote employees live/work). Expertise related to company size and industry is also imperative.
- 2. Perform the duties test:** Employees who pass the exempt classification duties test must be paid correctly.
- 3. Confirm employee classifications are correct.** All independent contractors and consultants must be properly classified.
- 4. Ensure non-exempt employees are paid accurately.** Non-exempt employees must be paid for all compensable time, including: travel time, waiting time, meal breaks, rest breaks, time working remotely, pre and post-shift activities, training time, time spent working for two or more entities, etc.
- 5. Review overtime pay for non-exempt employees.** Overtime must be calculated per applicable wage and hour laws. Potential concerns: salaried, non-exempt employees, on-call pay, shift-differentials, and other premium payments, reporting and call-back pay, compensatory time off, expense reimbursement, bonuses and lump-sum payments, commissions, employees working at two or more pay rates, and inappropriate averaging among weeks.
- 6. Verify correct pay for specific employee categories.** Including: trainees, interns, seasonal employees, staff younger than 16 or 18, truck and local delivery drivers, some health care employees. Specifically ensure:
 - Compliance during working hours regarding consecutive days of work, meal and rest breaks
 - Compliance with applicable rules for wage and salary payments, including method and timing, deductions, accrued vacations or sick pay, and withholding from paychecks
 - Compliance with regulations for government contracts and wage and hour requirements



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7. **Review record-keeping for wage and hour data.** Maintain thorough, detailed records of every staff member's work time and pay. If records are incomplete or inaccurate, they may be considered void.
8. **Regularly update job descriptions:** Regularly update job descriptions with honest employees feedback. Ensure employees are correctly classified and hours and pay practices are in compliance with state and federal guidelines.
9. **Develop and implement a complaint procedure for wage and hour issues.** Develop accessible, unintimidating channel for employees to submit concerns. Complaints and responses should be documented in writing and handled quickly.
10. **Train HR employees, managers, supervisors, and payroll employees.** Train on wage and hour requirements, depending on role and department. The more employees checking for compliance, the better.