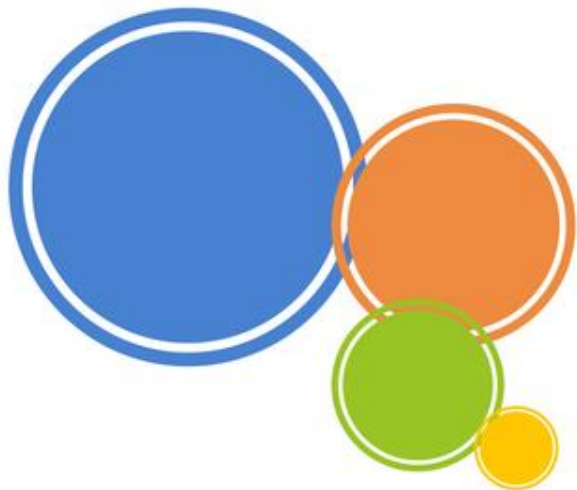


An aerial photograph of a city, likely San Francisco, viewed through a large, circular, white graphic overlay that resembles a globe or a stylized window. The city buildings are visible through the circular frame. In the top left corner, there are three overlapping circles: a large blue one, a smaller orange one, and a smaller green one. In the bottom right corner, there is a small, semi-transparent circular logo with a stylized 'A' inside.

# Wage and Hour Law Compliance-California Style

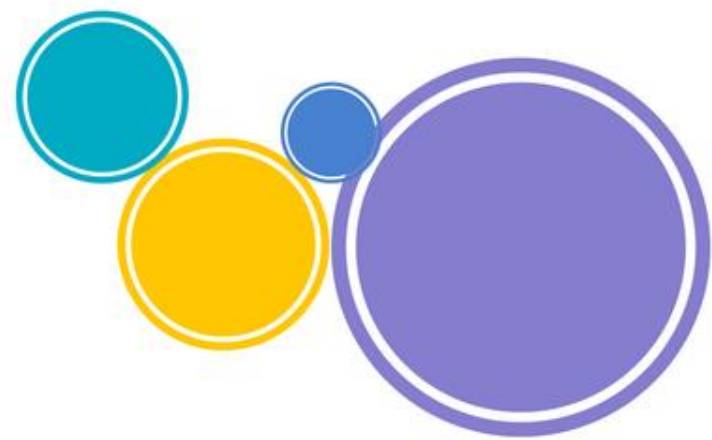
Presented on Monday, February 6, 2017

**Ascentis**  
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# HOUSEKEEPING

**SUBMITTED  
FOR  
CREDIT**

**Credit**



**Questions**



**Topic**



**Speaker**

# HOUSEKEEPING



# What Is Our Focus For Today?

5

- Who's In Charge
- Wage Orders
- Overtime
- Workweeks
- Minimum Wage
- Sick Pay
- Posters, Notices and Paystubs
- Specialty Payments: On call, reporting and split shifts
- Paying Employees: When and How
- Paying Terminated Employees: When and How
- Meals and Rest Periods
- Recordkeeping
- Deductions from Pay



# Today's Presenter

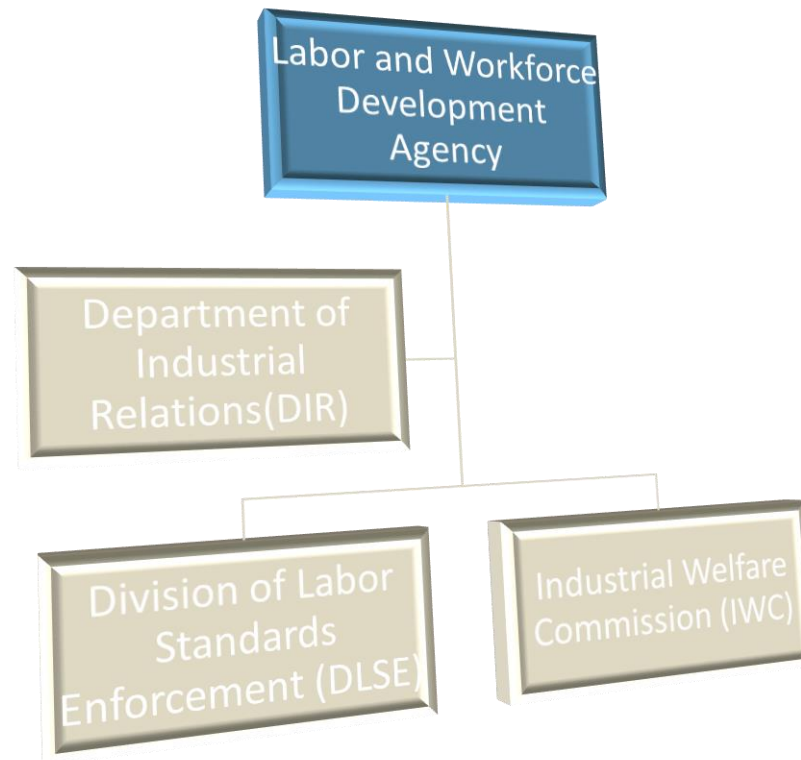


## Vicki M. Lambert CPP

- Vicki M. Lambert, CPP, is President and Academic Director of *The Payroll Advisor*<sup>™</sup>, a firm specializing in payroll education and training. The company's website [www.thepayrolladvisor.com](http://www.thepayrolladvisor.com) offers a subscription payroll news service which keeps payroll professionals up-to-date on the latest rules and regulations.

# Who's In Charge

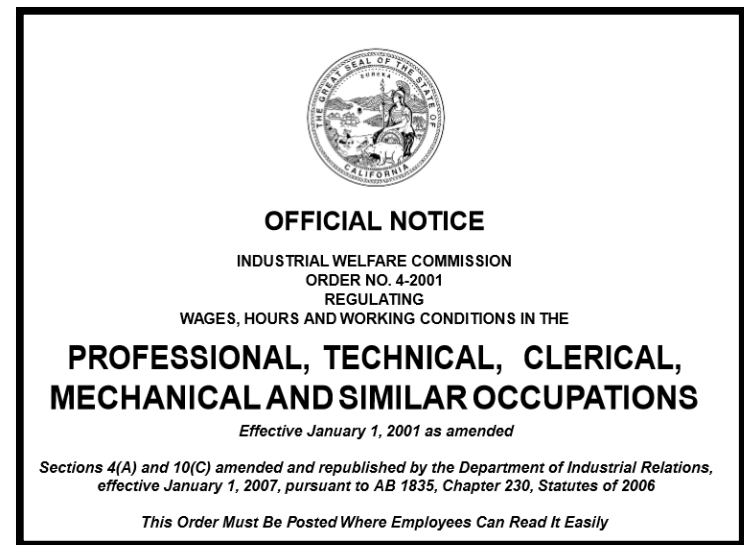
7



# Wage Orders

8

- ❖ 17 Wage Orders
- ❖ Contained in Title 8 of the California Code of Regulations
- ❖ First wage order 1913
- ❖ Now: 12 Industries covered by industry wide wage orders:





# Industry Wage Orders

9

(1) Manufacturing Industry;

(2) Personal Services Industry;

(3) Canning, Freezing and Preserving Industries;

(5) Public Housekeeping Industry;

(6) Laundry, Linen Supply, Dry Cleaning and Dyeing Industry;

(7) Mercantile Industry;

(8) Industries Handling Products after Harvest;

(9) Transportation Industry;

(10) Amusement and Recreation Industry;

(11) Broadcasting Industry;

(12) Motion Picture Industry;

(13) Industries Preparing Agricultural Products for Market on the Farm

# Occupational Wage Orders

10

5 groups of employees covered by occupation-wide wage orders. These are:

(4) Professional, Technical, Clerical, Mechanical and Similar Occupations;

(14) Employed in an Agricultural Occupation;

(15) Household Occupations;

(16) On-site Construction, Drilling, Logging and Mining Occupations;

(17) Miscellaneous Employees

# Determining Wage Order

11

- ❖ Look to Industry Wage Order first
- ❖ Wage, hour and working condition regulations contained in an occupational order only apply when a business is not covered by an industry order
- ❖ Good Source: “Which IWC Order? Classifications” by the DLSE at:
- ❖ <http://www.dir.ca.gov/dlse/WhichIWCOrderClassifications.PDF>

# Overtime

12

- ❖ Has both daily and weekly overtime.
- ❖ Has both daily and weekly double time.
- ❖ Overtime is paid at one and one half times the regular rate of pay.
- ❖ Double time is paid at two times the regular rate of pay.
- ❖ Regular rate of pay definition is same as FLSA.
- ❖ Do not pyramid hours.

# Daily Overtime

13

- ❖ 8 hours constitutes a day's work
- ❖ Excess of 8 hours up to 12 hours in a workday is overtime
- ❖ Excess of 12 hours in a workday is double time



# Weekly Overtime

14

- ❖ 40 hours is workweek maximum before overtime
- ❖ Plus, first eight hours worked on the seventh day of work in any one workweek is paid at time and one half
- ❖ Any work in excess of eight hours on any seventh day of workweek is double time
- ❖ Exceptions for certain industries such as health care

# Holidays, Saturdays and Sundays

15

- Hours worked on holidays, Saturdays, and Sundays are treated like hours worked on any other day of the week.
- Additionally, there is nothing in the law that mandates an employer pay an employee a special premium for work performed on a holiday, Saturday, or Sunday, other than the overtime premium required for work performed in excess of eight hours in a workday or 40 hours in a workweek.

# Makeup Work Time

16

- ❖ Employee requests make up work time in writing
- ❖ Time lost is a result of personal obligation of the employee
- ❖ Work the same workweek in which the time was lost
- ❖ Up to 11 hours in one day or 40 hours in one week



# More than 25 Agricultural Workers:

17

- ❖ 1-1-19: OT after 9 ½ hours or over 55 hours
- ❖ 1-1-20: OT after 9 hours or over 50 hours
- ❖ 1-1-21: OT after 8 ½ hours or over 45 hours
- ❖ 1-1-22: OT after 8 hours or over 40 hours
- ❖ 1-1-22: Double time will begin after 12 hours in one day

# Less than 25 Agricultural Workers:

18

- ❖ 1-1-22: OT after 9 ½ hours or over 55 hours
- ❖ 1-1-23: OT after 9 hours or over 50 hours
- ❖ 1-1-24: OT after 8 ½ hours or over 45 hours
- ❖ 1-1-25: OT after 8 hours or over 40 hours
- ❖ 1-1-25: Double time will begin after 12 hours in one day

# White Collar Exemptions to Overtime

19

- ❖ Follows FLSA rules with the following exceptions:
- ❖ Monthly salary 2 times state minimum wage for full time employment eff. 1-1-16: \$3,467
- ❖ Computer professionals for 2016: \$42.35 per hour, the minimum monthly salary exemption of \$7,352.62, and the minimum annual salary exemption of \$88,231.36
- ❖ Physician Employee for 2017 \$77.15 per hour

# White Collar Exemptions to Overtime

- ❖ Special care needed for when fed rules change to \$913 per week.
- ❖ Fed equals \$47,476 per year or \$3956.33 per month— fed will be higher as of Dec 1, 2016
- ❖ CA gets a minimum wage hike on Jan 1, 2017 to \$10.50 for big businesses = \$3640 per month-fed still higher
- ❖ 1/1/2019: CA minimum wage now \$12 = \$4160 per month—CA now higher
- ❖ 1/1/2020: both have increase pending so we will see

# Workweeks

- ▶ 168 consecutive hours; 7 - 24 hour periods
- ▶ OT paid as previously discussed BUT...
- ▶ Alternative workweeks
  - 10 hour days 4 day week instead
  - Secret ballot 2/3rds of employees approve
  - 1 1/2 times regular rate of pay for hours worked over hours established and over 40 in workweek
  - Double time for over 12 hours worked in a day
  - Excess of 8 hours beyond regularly scheduled work days is double time as well

# Work Day

22

- ▶ A workday is any consecutive 24-hour period beginning at the same hour on each calendar day.
- ▶ The 24-hour period may begin at any hour of the day, but must be consistent and unchanged
- ▶ May change if the change is meant to be permanent
- ▶ Not all employees must have the same workday

# Minimum Wage

23

- ❖ \$10.50 per hour effective 1-1-17 for employers with 26 or more employees
- ❖ \$10.00 per hour effective 1-1-17 for employers with less than 25 employees
- ❖ There is no distinction made between adults and minors when it comes to payment of the minimum wage.
- ❖ No tip credit allowed
- ❖ Meals and Lodging credit permitted
  - ❖ Chart is supplied by DLSE—on minimum wage poster

# Minimum Wage-2017 to 2018

24

❖ **\$10.50 effective 1-1-17**

❖ **\$11.00 effective January 1, 2018**

Amends General  
Minimum Wage  
Order and IWC  
Industry and  
Occupation Orders

PLEASE POST NEXT TO YOUR IWC OR INDUSTRY OCCUPATION ORDER

## OFFICIAL NOTICE

# California Minimum Wage

MW-2017

**Minimum Wage** — Every employer shall pay to each employee hourly wages not less than the following.



EFFECTIVE DATE	Employers with 26 or More Employees*	Employers with 25 or Fewer Employees*
January 1, 2017	<b>\$10.50</b>	<b>\$10.00</b>
January 1, 2018	<b>\$11.00</b>	<b>\$10.50</b>



# Meals and Lodging Chart

### 3. MEALS AND LODGING CREDITS - TABLE

When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited pursuant to a voluntary written agreement may not be more than the following:

For an employer who employs:	EFFECTIVE JANUARY 1, 2017		EFFECTIVE JANUARY 1, 2018	
	26 or More Employees	25 or Fewer Employees	26 or More Employees	25 or Fewer Employees
<b>LODGING</b>				
Room occupied .....	\$49.38/week	\$47.03/week	\$51.73/week	\$49.38/week
Room shared .....	\$40.76/week	\$38.82/week	\$42.70/week	\$40.76/week
Apartment — two thirds (2/3) of the ordinary rental value, and in no event more than .....	\$593.05/month	\$564.81/month	\$621.29/month	\$593.05/month
Where a couple are both employed by the employer, two thirds (2/3) of the ordinary rental value, and in no event more than.....	\$877.27/month	\$835.49/month	\$919.04/month	\$877.26/month
<b>MEALS</b>				
Breakfast .....	\$3.80	\$3.62	\$3.98	\$3.80
Lunch .....	\$5.22	\$4.97	\$5.47	\$5.22
Dinner .....	\$7.09	\$6.68	\$7.35	\$7.01

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the amounts stated in the table above.



# Minimum Wage-2017 & Beyond

26

- ❖ Agreement by Governor Brown, state legislature and labor unions
- ❖ Plan includes “off-ramps”
- ❖ Pause wage hikes if negative economic or budgetary conditions
- ❖ Governor decides by September 1 of each year if next year’s wage increase is a go



# Minimum Wage-2017 & Beyond

- 27 ❖ \$10.50 per hour on January 1, 2017, for large businesses (26 employees or more) and on January 1, 2018, for smaller employers (with 25 employees or less)
- ❖ \$11 per hour on January 1, 2018, for large businesses and on January 1, 2019, for smaller employers
- ❖ \$12 per hour on January 1, 2019, for large businesses and on January 1, 2020, for smaller employers
- ❖ \$13 per hour on January 1, 2020, for large businesses and on January 1, 2021, for smaller employers
- ❖ \$14 per hour on January 1, 2021, for large businesses and on January 1, 2022, for smaller employers
- ❖ \$15 per hour on January 1, 2022, for large businesses and on January 1, 2023, for smaller employers

# Minimum Wage Cities

- ❖ Berkeley: \$12.53 10-1-16
- ❖ Cupertino: \$12.00 eff. 1-1-17
- ❖ El Cerrito: \$12.25 eff. 1-1-17
- ❖ Emeryville: \$13.00/14.44 eff. 7-1-16
- ❖ Long Beach: hotel workers: \$14.07 7-1-16
- ❖ Los Altos: \$12.00 eff. 1-1-17
- ❖ Los Angeles: \$10.50 eff. 1-1-16; \$15.00 by 2020
- ❖ Los Angeles County: \$10.50 eff. 7-1-16
- ❖ Malibu: \$10.50 eff. 7-1-16
- ❖ Mountain View: \$13.00 eff. 1-1-17
- ❖ Oakland: \$12.86 eff. 1-1-17
- ❖ Palo Alto: \$12.00 eff. 1-1-17
- ❖ Pasadena: \$10.50 eff. 7-1-16
- ❖ Richmond: \$12.30 eff. 1-1-17
- ❖ Sacramento: \$10.50 eff. 1-1-17
- ❖ San Francisco City/County: \$13.00 eff. 7-1-16
- ❖ Santa Clara: \$11.10 eff. 1-1-17
- ❖ San Diego: \$11.50 eff. 1-1-17
- ❖ San Jose: \$10.50 eff. 1-1-17
- ❖ San Leandro: \$12.00 eff. 7-1-17
- ❖ San Mateo: \$12.00 1-1-17
- ❖ Santa Monica: \$10.50 eff. 7-1-16
- ❖ Sunnyvale: \$13.00 eff. 1-1-17

# Posters, Notices and Paystubs

29

- ❖ Payday Notice: must post notice specifying the regular paydays and time and place of payment –section 207
- ❖ DLSE furnishes a notice for employers
- ❖ Minimum wage poster
- ❖ Sick leave poster
- ❖ Wage order
- ❖ Unemployment insurance, disability insurance and paid family leave
- ❖ Voting rights
- ❖ Wage Theft Prevention Act of 2011

State of California  
Department of Industrial Relations  
Division of Labor Standards Enforcement

## PAYDAY NOTICE

REGULAR PAYDAYS FOR EMPLOYEES OF \_\_\_\_\_  
(FIRM NAME)

\_\_\_\_\_ SHALL BE AS FOLLOWS:

THIS IS IN ACCORDANCE WITH SECTIONS 204, 204A, 204B, 205, AND 205.5  
OF THE CALIFORNIA LABOR CODE

BY \_\_\_\_\_

TITLE \_\_\_\_\_

DLSE 8 (REV. 06-02)

***PLEASE POST***

# Paystub or Statement

▶ Furnish at time of payment statement showing:

SSN only until 1-1-08 then only last four digits or may show employee identification number

Hours not required if exempt from minimum wage and overtime as of 1-1-17

- ▶ Gross wages earned
- ▶ Total hours worked
- ▶ Piece rate units
- ▶ All deductions
- ▶ Net wages earned
- ▶ Sick Leave balance (7-1-15)
- ▶ Inclusive dates of payroll
- ▶ Name of employee and SSN
- ▶ Name and address of employer
- ▶ Applicable hourly rates and number of hours worked at each rate

# Overtime Catch Up

32

An employer shall be in compliance with Labor Code Section 226(a) relating to total hours worked by the employee if the overtime hours are recorded as a correction on the itemized statement for the next regular pay period and include the dates of the pay period for which the correction is being made. Labor Code Section 204(b)(2)



# Notice of Discharge, Layoff or Leave of Absence

33



**Please note:** The form *Notice to Employees* (DE 35) has been made obsolete. Please disregard the information referenced on page 5, step 3 and page 79 of the guide.

We apologize for any inconvenience.

# Mandated Sick Leave

34

- ❖ Signed on September 10, 2014
- ❖ Effective January 1, 2015
- ❖ Employees who work 30 or more days a year from the commencement of employment
- ❖ Accrues at the rate of one hour for every 30 hours worked
- ❖ May use beginning on the 90<sup>th</sup> day of employment
- ❖ Employer may limit use to 24 hours or 3 days per year of employment
- ❖ There will be posting and notice requirements
- ❖ Exempt employees are covered—use 40 hour week

**THIS POSTER MUST BE DISPLAYED WHERE EMPLOYEES CAN EASILY READ IT***(Poster may be printed on 8 1/2" x 11" letter size paper)***HEALTHY WORKPLACES/HEALTHY FAMILIES ACT OF 2014  
PAID SICK LEAVE****Entitlement:**

- An employee who, on or after July 1, 2015, works in California for 30 or more days within a year from the beginning of employment is entitled to paid sick leave.
- Paid sick leave accrues at the rate of one hour per every 30 hours worked, paid at the employee's regular wage rate. Accrual shall begin on the first day of employment or July 1, 2015, whichever is later.
- Accrued paid sick leave shall carry over to the following year of employment and may be capped at 48 hours or 6 days. However, subject to specified conditions, if an employer has a paid sick leave, paid leave or paid time off policy (PTO) that provides no less than 24 hours or three days of paid leave or paid time off, no accrual or carry over is required if the full amount of leave is received at the beginning of each year in accordance with the policy.

**Usage:**

- An employee may use accrued paid sick days beginning on the 90<sup>th</sup> day of employment.
- An employer shall provide paid sick days upon the oral or written request of an employee for themselves or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking.
- An employer may limit the use of paid sick days to 24 hours or three days in each year of employment.

Retaliation or discrimination against an employee who requests paid sick days or uses paid sick days or both is prohibited. An employee can file a complaint with the Labor Commissioner against an employer who retaliates or discriminates against the employee.

For additional information you may contact your employer or the local office of the Labor Commissioner. Locate the office by looking at the list of offices on our website <http://www.dir.ca.gov/dlse/DistrictOffices.htm> using the [alphabetical listing of cities, locations, and communities](#). Staff is available in person and by telephone.

# Sick Leave The Cities

36



# Mandated Sick Leave

37

## PAID SICK LEAVE

Unless exempt, the employee identified on this notice is entitled to minimum requirements for paid sick leave under state law which provides that an employee:

- a. May accrue paid sick leave and may request and use up to 3 days or 24 hours of accrued paid sick leave per year;
- b. May not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and
- c. Has the right to file a complaint against an employer who retaliates or discriminates against an employee for
  1. requesting or using accrued sick days;
  2. attempting to exercise the right to use accrued paid sick days;
  3. filing a complaint or alleging a violation of Article 1.5 section 245 et seq. of the California Labor Code;
  4. cooperating in an investigation or prosecution of an alleged violation of this Article or opposing any policy or practice or act that is prohibited by Article 1.5 section 245 et seq. of the California Labor Code.

The following applies to the employee identified on this notice: (Check one box)

- 1. Accrues paid sick leave only pursuant to the minimum requirements stated in Labor Code §245 et seq. with no other employer policy providing additional or different terms for accrual and use of paid sick leave.
- 2. Accrues paid sick leave pursuant to the employer's policy which satisfies or exceeds the accrual, carryover, and use requirements of Labor Code §246.
- 3. Employer provides no less than 24 hours (or 3 days) of paid sick leave at the beginning of each 12-month period.
- 4. The employee is exempt from paid sick leave protection by Labor Code §245.5. (State exemption and specific subsection for exemption): \_\_\_\_\_

# Wage Theft Protection Act of 2011

38

- ❖ Governor Brown signed into law AB 469 (Chapter 655, Statutes of 2011) known as the Wage Theft Protection Act of 2011
- ❖ Effective January 1, 2012. Labor Code section 2810.5 was added by the bill
- ❖ Requires that all employers must provide each employee at the time of hire with a written notice that contains specified information and must be provided in the language the employer normally uses to communicate employment-related information to the employee

# Wage Theft Protection Act of 2011

39

- ❖ All private sector employers are covered
- ❖ Not required for employee who is:
  - ❖ exempt from the payment of overtime wages by statute or the wage orders of the Industrial Welfare Commission;
  - ❖ covered by a valid collective bargaining agreement if it meets specified conditions.

# Required Notice Must Contain

- ❖ The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable;
- ❖ Allowances, if any, claimed as part of minimum wage including meals and lodging
- ❖ regular payday designated by the employer as required by law;
- ❖ The name of the employer, including any “doing business as” names used by the employer;



# Required Notice Must Contain

- ❖ The physical address of the employer's main office or principal place of business, and a mailing address, if different;
- ❖ The telephone number of the employer;
- ❖ The name, address, and telephone number of the employer's workers' compensation insurance carrier;
- ❖ Eff. 1-1-15: Paid Sick Leave information; and
- ❖ Any other information the Labor Commissioner deems material and necessary.

# Required Notice Must Also

42

Notify the employee in writing of any changes to the information set forth in the Notice To Employee within seven (7) calendar days after the time of the changes, unless one of the following applies:

- ❖ **(a) All changes are reflected on a timely wage statement furnished in accordance with Labor Code section 226, or**
- ❖ **(b) Notice of all changes is provided in another writing require by law within seven days of the changes.**

# Specialty Payments: On Call, Reporting Pay and Split Shifts

43

"Reporting time pay" is partial compensation for employees who report to work expecting to work a specified number of hours and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer. The provisions of the law regarding reporting time pay are as follows:

# Specialty Payments: On Call, Reporting Pay and Split Shifts

44

Each workday an employee is required to report to work but is not put to work, or is furnished with less than half of his or her usual or scheduled day's work, he or she must be paid for half the usual or scheduled day's work, but in no event for less than two hours nor more than four hours, at his or her regular rate of pay.

# Specialty Payments: On Call, Reporting Pay and Split Shifts

45

**Split Shift:** If an employee is required to report to work a second time in any one workday and is furnished less than two hours of work on the second reporting, he or she must be paid for two hours at his or her regular rate of pay.



# On Call Pay

46

- ❖ Depends on the facts of each case and how much control the employer has over the employee
- ❖ Does not mirror federal
- ❖ Generally they look at:
  - ❖ Geographical restrictions
  - ❖ Required response time
  - ❖ Nature of the employment
  - ❖ Employer's policies while on call



# Paying Employees: When and How

47

- ❖ Twice each calendar month on paydays designated in advance by the employer
  - ❖ Labor performed from the 1<sup>st</sup> to the 15<sup>th</sup> paid between the 16<sup>th</sup> and the 26<sup>th</sup> of the month
  - ❖ Labor performed from the 16<sup>th</sup> to the last day of the month paid between the 1<sup>st</sup> and 10<sup>th</sup> day of the following month
- ❖ Payment of wages made weekly, biweekly or semimonthly must be paid not more than 7 calendar days following the close of the pay period

# And

48

- **Exempt Employees:** May be paid monthly if paid on or before the 26<sup>th</sup> of the month during which the work is performed and are paid through the last day of the month
- **Overtime:** If not paid on the same payroll as when worked may be paid no later than the payday for the next regular payroll period
- **Holiday:** If the regular designated payday falls on a holiday and the employer observes that holiday by closing its business, the employer may pay wages on the next business day.



# How to Pay Employees

49

- ❖ Instrument negotiable and payable in cash, on demand, without discount at some establishment place of business in the state. Name and address have to appear on the instrument
- ❖ Direct deposit if at a location within the state and the employee voluntarily authorizes it
- ❖ Payroll Debit Cards: Allowed with provisions. Must be California bank; no fee for using card, must be notified of location of ATM's

# Paying Terminated Employees: When and How

50

- ❖ Discharge: Wages earned and unpaid at the time of discharge are due and payable immediately
- ❖ Quit: No written contract wages due and payable not later than 72 hours unless employee has given 72 hours prior notice
- ❖ Can still use direct deposit
- ❖ Unused vacation pay must be included
- ❖ Recent court ruling: retirement is the same as quitting voluntarily

# Vacation Pay

51

- ❖ Considered wages under CA law and must be paid out—Labor Code Section 227.3
- ❖ If paid before earned (advanced) cannot deduct from final wages
- ❖ PTO does not affect payment of vacation upon termination—PTO is considered vacation pay

# Using Direct Deposit for Final Wages

52

Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment UNLESS the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code Section 213(d) relating to the payment of wages upon termination or quitting of employment.

# Meal Periods

53

- ❖ Meal Period: No more than 5 hours without a 30-minute meal period unless six hours completes the day, then meal can be waived with mutual consent.
- ❖ 10 hours requires second meal period, but it may be waived by mutual consent if the total hours worked is less than 12.
- ❖ On duty meal periods must be paid.

# Meal Periods

54

- ❖ Brinker Restaurant Corp v Superior Court ruling April 12, 2012
- ❖ Unanimous California Supreme Court Ruling has held that employers do not have a duty under CA Labor Code to make sure their hourly employees take their statutory meal periods; its enough to ensure that the employees are offered the opportunity to take the period

# Rest Periods

55

- ❖ 10 minutes for every four hours worked or major fraction thereof
- ❖ In the middle of each work period where possible
- ❖ Not needed if total work day is less 3 ½ hours
- ❖ Employee may not waive



Coffee Break



# Rest Periods-Lactation

56

- ❖ Provide reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child
- ❖ Should, if possible, run concurrent with normal break time
- ❖ Reasonable accommodations for room for employee other than toilet stall



# Meal and Rest Period Penalties

57

- ❖ Failure to provide meal period results in employer paying employee one hour of pay at the employee's regular rate of compensation for each day the meal period is not provided
- ❖ Failure to provide rest period results in employer paying employee one hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided
- ❖ The two are mutually exclusive of each other

# Recordkeeping

58

Every employer shall keep accurate information with respect to each employee including the following:

1. Full name, home address, occupation and social security number.
2. Birth date, if under 18 years, and designation as a minor.
3. Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.— Yes, must punch for lunch otherwise!
4. Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.
5. Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.



# Recordkeeping

59

6. When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.
- All required records shall be in the English language and in ink or other indelible form, properly dated, showing month, day and year, and shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. An employee's records shall be available for inspection by the employee upon reasonable request. Clocks shall be provided in all major work areas or within reasonable distance thereto insofar as practicable.

# Deductions From Pay

60

- ▶ All deductions required by law are permitted
- ▶ Overpayments etc are referred to section 221 of the California Code:

221. It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.

Basically not permitted unless the employee voluntarily agrees to it in writing

# Loans and Terminated Employees

61

The employer loans the employee \$500.00, and per the written agreement was taking \$50.00 from each paycheck as an installment payment on the loan. When the employee quit last week the employer deducted the outstanding loan balance of \$250.00 from the final paycheck. Is this legal?



# And the Answer is...

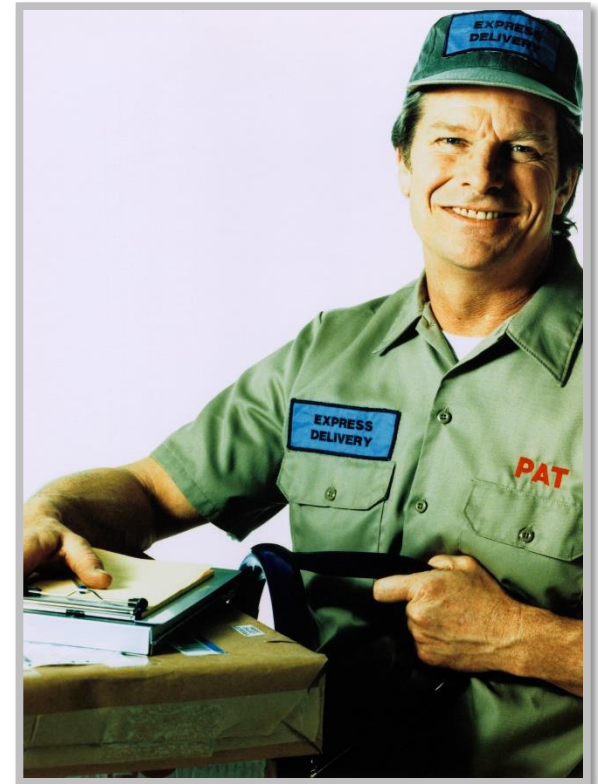
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Although a California court has held that deductions for the periodic installment payments on a loan made to an employee by the employer are permissible when authorized in writing by the employee, the court also concluded that the balloon (lump sum) payment of the outstanding balance to be made at the time the employment relationship ends is not allowed notwithstanding the fact the employee has given his or her written consent to such a payment. When the employment relationship ends, the employer can only deduct the amount of one installment payment from the final paycheck.

# Uniforms

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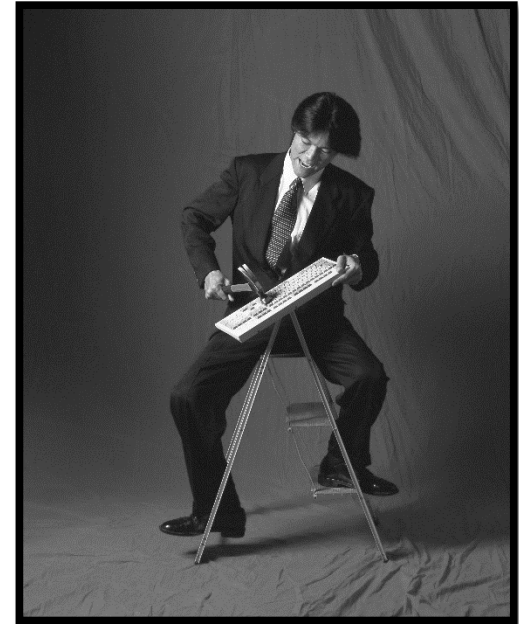
If an employer requires that an employee wear a uniform, the employer must pay the cost of the uniform. Labor Code Section 2802, Industrial Welfare Commission Orders, Section 9. The term "uniform" includes wearing apparel and accessories of distinctive design and color.



# Breakage and Damages

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If an employee breaks or damages company property or lose company money while performing his or her job, can the employer deduct the cost/loss from his/her wages?





# Breakage and Damages

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No, employers cannot legally make such a deduction from wages if, by reason of mistake or accident a cash shortage, breakage, or loss of company property/equipment occurs. The California courts have held that losses occurring without any fault on the part of the employee or that are merely the result of simple negligence are inevitable in almost any business operation and thus, the employer must bear such losses as a cost of doing business.

# Are There Any Questions?

Enter all questions into the “**Questions**” section of the GoToWebinar panel on your computer screen



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The screenshot shows the Ascentis website interface. At the top, there is a navigation bar with the Ascentis logo and the tagline 'Solutions (th)at Work'. The main navigation menu includes: Home, Ascentis Solutions, Resources, Client Success, Educational Webinar Program, Partner Programs, and About Us. A dropdown menu is open under 'Educational Webinar Program', listing: Upcoming Live Webinars (highlighted with a mouse cursor), On-Demand Webinars, Directory, and Webinars FAQ. The main content area features a large heading: 'Elegant Human Capital Management Software Solutions for Businesses Focused on Efficiency and Accuracy'. Below this, there are three bullet points: 'Feature Rich', 'Integrated Modules', and 'Ultimate Flexibility'. The background of the main content area shows a desktop monitor, a tablet, and a smartphone, all displaying the Ascentis website interface. The desktop monitor shows a banner for 'Open Enrollment Has Begun!' and a 'Key Links' section.

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# Sharing the Education

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