

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

to manage their risks prior to the DOL deadline in December. Here are several tips from CPA Mutual and business advisory partner Enquiron with regard to overtime risk

...

Aug. 30, 2016



Who is eligible for overtime? It's a serious question that CPA firms need to answer before the next tax season.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

their rights under wage and hour laws are increasing the risks for employment liability claims,” notes Bill Thompson, CPA, President of [CPA Mutual](#), a risk management consultant and professional liability insurance provider exclusively for CPA firms. “Already, Fair Labor Standards Act lawsuits have risen in response to federal regulation revisions, and can morph into class action suits. The company’s intent is irrelevant in these wage and hour claims.”

Some examples of actual wage and hour claims violations have included:

- Employees working during non-paid lunch breaks
- Using a mobile device to e-mail and talk to clients or vendors after work
- After-hours socializing where business is discussed
- Policies that employees must arrive at work 15 minutes prior to clock-in time
- Employer failure to provide written notice and acknowledgement of wage or benefits changes in advance of the change

Aside from the costs of paying more overtime, CPA firms are likely looking into ways to manage their risks prior to the DOL deadline in December. Here are several tips from CPA Mutual and business advisory partner [Enquiron](#) with regard to overtime risk management and adequate EPLI coverage.

1. Conduct a wage and hour self-audit.

Make sure that all employees are properly classified as exempt or non-exempt. Review company policies with regard to reporting to work, recording time and remote work (especially by mobile device). This audit may also determine if the firm has adequate EPLI coverage. Proactive measures may also support managing future EPLI premiums.

2. Make sure that EPLI policies include coverage for wage and hour claims.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

and a description of fringe benefits, including any changes, is among the top 10 wage and hour violations, according to the DOL. Each employee must receive the required information in writing and must sign an acknowledgment of receipt of the information. Written notification signed by the employee is required every time the employee's pay or benefits change, and the notice should be provided in advance of any change.

4. Prepare for and manage employee complaints properly.

In addition to updating employee handbooks with regard to wage and hour recording and overtime restrictions, employers and human resources staff need to prepare for difficult conversations with employees about compliance with new overtime rules. Expect that some new policies will make employees feel “demoted” if they have to clock in or are excluded from after-hours business.

Instead of demotion or loss of flexibility, it may be possible to communicate a stronger boundary between work and “not work.” Since the DOL classifies any time spent answering work email and phone calls after hours as compensable time, employees will have permission to set boundaries where none existed before. Work/life balance may actually improve — which supports a more attractive workplace.

“Prevention of claims is the best approach,” Thompson said. “We are always looking at ways for employers to get ahead of possible risks while also retaining great employees.”

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved