

TIME IS MONEY: PAYING EMPLOYEES TO WAIT OR BE ON CALL

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Last week's Advisory discussed one of the basic tasks faced by employers- calculating the hours worked by non-exempt employees. Timekeeping is another critical element of sound payroll practices that is commonly mishandled by employers, leading to potential liability. Employers who do not maintain complete and accurate records of the hours worked by their employees are unlikely to pay their employees properly, and can encounter great difficulty in defending themselves against claims filed by their employees.

In order to minimize their risk of liability and put themselves in the best position possible to defend against claims, employers should implement the following timekeeping practices:

- Record starting and stopping times, not just total hours of work- Non-exempt employees should record the times at which they begin work, begin any meal period(s), end their meal period(s), and conclude work for the day. Many employers expose themselves to liability by maintaining records which reflect only total hours worked each day, or by failing to maintain records that reflect the times at which meal periods began and ended.
- Record actual starting and ending times, not scheduled times- Timekeeping records should reflect the *actual* times at which employees begin and end work (and meal periods) each day, not the times at which they were scheduled to do so. Records which reflect the exact same starting and ending times each day are often greeted with skepticism, since employees rarely, if ever, begin and end at precisely the same times each day.
- Insist that employees record their own time- In order to preclude employees from arguing that a manager has recorded their hours of work incorrectly, employers should insist that employees record their own hours of work each day.
- Insist that employees record their time on a daily basis- In some instances, employee may become lazy and be tempted to record all of their work hours for a particular week or pay period on the last day. Employees generally are unable to remember the precise times at which they began and ended work each day throughout an entire payroll period, however. In order to maximize the accuracy of their records, employers should insist that employees record their work hours on a daily basis.

Timekeeping is a critical step in the payroll process that is often neglected by employers. By following the basic policies outlined above, employers can minimize their risk of liability for inadequate timekeeping. If you have any questions regarding proper timekeeping practices, or any other employment law issues, we invite you to contact one of our attorneys:

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