

Payrollnews

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DOL Investigates Overtime Rules & Regs

The Department of Labor has been busy enforcing the overtime rules and regulations set forth to protect employees with work hours exceeding 40 per work week.

At **Data Management Payroll Services**, we keep our clients updated – especially when the news concerns their payroll and payroll processing.

“The Fair Labor Standards Act (FLSA) requires that employees receive one-and-one-half times their regular rates of pay when they work more than 40 hours in a work week and that employers maintain adequate and accurate records of employees’ wages and work hours.”

Minor mistakes, and even the most common, can cost your company thousands in back wages and damages. Check out the recent agreements between the DOL and companies violating overtime and FLSA rules.

Over 40 Hours = Overtime Pay

When non-exempt workers are regularly working 60 hours a week, but only being paid for 40 hours, the DOL will investigate, and make the company pay accordingly.

A recent visit by the DOL, to investigate a residential health care company caring for elderly clients in California, cost the company \$194,275.

Almost \$200,000 in back wages were ordered to be paid to 13 care-

givers in California, for failing to pay employees for hours worked beyond 40 in a work week.

Additional Income?

“Failing to include shift differentials and bonuses – such as those paid for attendance and retention – when computing an

violations and agreed to pay 594 workers \$165,379 in back wages and damages.

The Indiana-based company “failed to include non-discretionary bonuses and shift-differentials paid to employees in overtime rate calculations,” resulting in “workers being paid less than they were legally owed.”

They also were subject to damages resulting from violation of FLSA record-keeping provisions “that employers maintain adequate and accurate records of employees’ wages and work hours.”

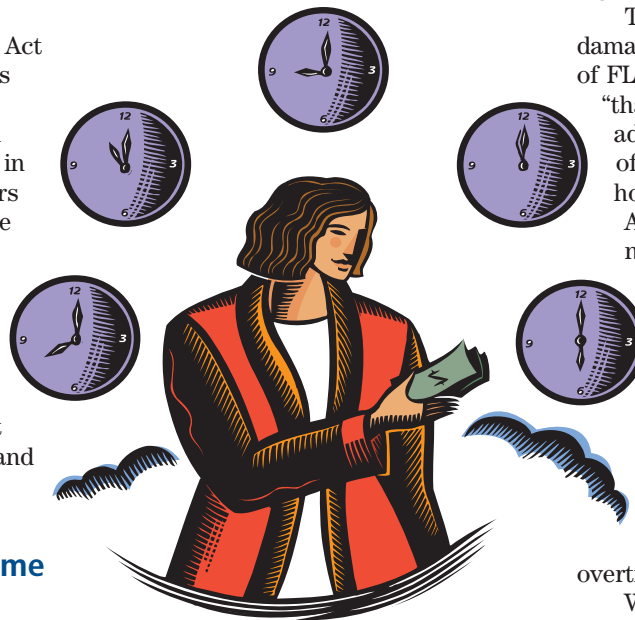
At **DM Payroll Services**, we make sure our clients have the information they need to be prepared for any DOL inquiries or investigations regarding payroll or overtime compensation.

Don’t miss the source links for details of the specific DOL investigations, and the *DOL Fact Sheet #44 Visits to Employers*, with links to overtime rules and regulations.

We can help your company succeed. Start the second quarter with **DMPS** – we can process your payroll, and so much more. Check out our complete list of services, and call us today!

Sources:

<https://www.dol.gov/newsroom/releases/whd/whd20170915-2>,
<https://www.dol.gov/newsroom/releases/whd/whd20180202-0> and
<https://www.dol.gov/whd/regs/compliance/whdfs44.htm> .



employee’s regular rate of pay is a common overtime violation.”

When non-discretionary bonuses and shift differential are included in a week’s pay, employers must divide the total compensation for the week by the total number of hours worked.

After a recent DOL investigation, a large Midwest health care company resolved its overtime

TRY THESE WEB PICKS!

ACA Cadillac Tax Postponed

With the recent House and Senate approval of the short-term government spending bill that ended the government shutdown, there were several ACA provisions delayed.

The ACA's Cadillac Tax, a 40 percent excise tax on high-value health care plans (previously delayed till 2020) was delayed two years, until 2022.

The temporary stop-gap funding bill also delays the ACA medical device tax, a 2.3 percent tax on the sale of certain devices, until 2020.

The health insurer tax (HIT) is still in effect in 2018, strictly because insurance rates currently include the tax, but is now suspended for 2019.

The Cadillac Tax, if enacted, could cause higher costs for employers, and ultimately higher deductibles and out-of-pocket costs for employees.

Click the link for more on the short-term government spending bill that ended the government shutdown and delayed the Cadillac Tax!

Source: <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/congress-delays-cadillac-tax-until-2022.aspx>

Protect Your Investments

Taxable versus tax favored? Traditional or Roth? No more recharacterizations?

While experts continue to agree, recent tax laws have seen reductions in tax rates for 401k, IRA and other investments, but navigating investments can be tricky business.

Check out the article that talks about the three ways the new tax law can affect investing, taxes and saving for retirement.

Source: <https://money.usnews.com/investing/investing-101/articles/2018-01-24/3-ways-the-tax-law-affects-an-ira>

Employer Contributions On The Rise

According to a recent study by Ascensus, there has been a steady increase in 401k employer contributions.

Many factors, including increased market returns, adoption of safe-harbor plans, and educated participants are only the beginning.

Employers have been taking action to assist employees in preparing for their "retirement readiness" by offering employer contribution percentage matches.

Source: <https://www.plansponsor.com/ascensus-finds-increase-401k-employer-contributions/>

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