

Should Employers Keep Time Records For Exempt Employees?

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John Thompson's <u>Wage and Hour Laws blog</u> post "Should Employers Keep Time Records For Exempt Employees?" was picked up by *TLNT* on May 21, 2015.

Should an employer keep records of the time worked by employees who qualify for a federal Fair Labor Standards Act minimum-wage and/or overtime exemption?

At the risk of giving the proverbial "lawyer's answer," it depends.

Is timekeeping mandatory?

First, it is necessary to know whether timekeeping is required for some reason under the particular exemption being relied upon. If the employee is exempt only from the FLSA's overtime requirement, for example, then an accurate record of all his or her hours worked is still necessary in order to ensure compliance with that law's minimum-wage provision.

It might also be that such a record is essential for purposes of determining whether the applicable exemption itself is being properly maintained.

As an illustration, consider the FLSA's Section 7(i) overtime exception for commission-paid employees of a retail or service establishment, which requires that a worker's regular hourly rate of pay for an overtime work week must be more than 1.5 times the FLSA's minimum wage. Without accurate hours-worked information, an employer cannot know for sure whether this condition has been met. Consequently, the <u>recordkeeping requirements</u> for Section 7(i) incorporate by reference the general FLSA timekeeping obligation.

To read the full article, please visit <u>TLNT</u>.