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SLG Class Action Survival Guide Series

Wage and Hour claims outpace all other types of workplace litigation. In 2012 alone, settlements of wage and hour cases equaled \$467 million bringing the total since 2007 to about \$2.7 trillion. In class actions, companies paid an average of \$4,800,000 per case.

Nearly every class action lawsuit that SLG has recently seen has included claims for incorrect piece-rate compensation, incorrect nonproductive time compensation, and inaccurate wage statements.

Many, many commentators, consultants, and lawyers are weighing in with their "expertise" on these issues. As always, you can rely on SLG, the steady hand, to continue keeping you informed as these lawsuits evolve and to let you know if the Governor comes to his senses.

Compliant Wage Statements

(Part 3 of 5)

What is it?

California law requires certain information to be provided on employee wage statements:

- o Gross Wages Earned
- o Total Hours Worked
- o Number of Piece-Rate Units Earned and the Applicable Piece-Rate
- o Deductions
- o Net Wages Earned
- o The inclusive date of the period for which the employee is paid
- o Name of the Employee
- o Last 4 digits of the Social Security Number or the employee ID number
- o Name and Physical (Street) Address of the Legal Entity that is the Employer
- o Name and Physical (Street) Address of the Farm Labor Contractor (if applicable)
- o Name and Physical (Street) Address of the Entity that Secured the Services of the Farm Labor Contractor (if applicable)
- o All Applicable Hourly Rates in Effect During the Pay Period and
- o Corresponding Number of Hours Worked at Each Hourly Rate
- o If the employer is a temporary services employer, the rate of pay and total hours worked for each temporary services assignment.

What it means?

Now, employers who pay any part of their employees' compensation by the piece rate (or any plan that the DLSE construes to be piece rate) must also list the hours and corresponding rates for employee nonproductive time ("NPT") on the employee wage statements. These are considered to be part of the requirements listed above. The employee wage statements should have one line designated "NPT rest/recovery periods" listing the hourly rate, the hours for rest and recovery periods an employee took, and one line designated "NPT miscellaneous" which lists the hourly rate and the combined hours for meetings, training, calisthenics, etc. attended by the employee.

Counsel to Management:

- Failure to provide compliant wage statements to employees result in costly penalties for every pay period for every employee when the wage statements are inaccurate. The penalty goes up after the first violation.
- Companies must ensure that the notice to employees pursuant to Cal. Lab. Code §2810.5 accurately reflects all rates paid for all types of work, including NPT rest/recovery and NPT miscellaneous.
- Proper Employee Wage Statement compliance is a complicated issue that is best accomplished with the assistance of counsel. Please contact The Saqui Law Group if you have any questions.

Coming Next: Arbitration Agreements to fight off class actions or individual cases...

