



Human Resources

Committee

Scottsdale, AZ

July 23, 2008



What's New?



National Defense Authorization Act

Amendment to the FMLA

- ◆ Who is Affected?
- ◆ Covered Employers
 - ◆ Interstate Commerce
 - ◆ 50 employees / 75 miles



National Defense Authorization Act

Amendment to the FMLA

- ◆ Covered Employees
 - ◆ Work at covered site
 - ◆ 12 months employment
 - ◆ 1250 Hours in last 12 months



National Defense Authorization Act

Amendment to the FMLA

- ◆ Two new Leave of Absence Types
 - ◆ “Qualifying Exigency”
 - ◆ “Military Caregiver”



National Defense Authorization Act

“Qualifying Exigency” Leave

- ◆ Spouse, child, parent of Employee
- ◆ On leave from active duty OR notified of impending call to active duty
- ◆ Employee may take up to 12 weeks unpaid leave



National Defense Authorization Act

Military Caregiver Leave

- ◆ Spouse, child, parent, *next of kin* of Service member
- ◆ Recovering from illness or injury sustained in line of active duty
- ◆ Up to *26 weeks* unpaid leave in single 12 month period to provide care



New Federal Minimum Wage!



New Federal Minimum Wage

Effective

July 24, 2008

\$6.55 / hour



New Federal Minimum Wage

**What does that
mean to my
shop?**



New Federal Minimum Wage

- Get the new poster up!
 - ◆ <http://www.dol.gov/esa/whd/regs/compliance/posters/flsa.htm>
- Required to post it even if your state law is different!



New Federal Minimum Wage

- Check your state Minimum Wage law – does the increase affect you?
- “I don’t have any Minimum Wage employees, I am going to sleep now...”



New Federal Minimum Wage

- Does the Minimum Wage increase affect Commissioned Exempt Employees?



New Federal Minimum Wage

- FLSA 7(i) Commissioned Employee Exemption
 - ◆ Retail Establishment
 - ◆ More than ½ income from “commissions”
 - ◆ Plus....



New Federal Minimum Wage

- FLSA 7(i) Commissioned Employee Exemption
 - ◆ Make at least 1½ times Minimum Wage for all hours worked!



New Federal Minimum Wage

- Which means:
 - ◆ Techs/Painters must make a “regular rate” of at least **\$9.83** for every clock hour worked or they could lose their “exempt” status



New Federal Minimum Wage

- Calculating the “regular rate”:

$$\frac{\text{Total $$$ Earned}}{\text{Total Clock Hours Worked}}$$



New Federal Minimum Wage

Example:

- John worked **45 hours** this week
- John's commission was **\$450**

What was John's "regular rate" this week

$$\text{\$450} / 45 = \text{\$10.00}$$



New Federal Minimum Wage

The Next Week...

- John works **49 hours**
- John's commission again is **\$450**

What is John's "regular rate" this week?

$$\text{\$450} / 49 = \text{\$9.18}$$

Absent a subsidy, John will not be exempt this week and will be entitled to overtime!



REMEMBER!!!

1. If your shop is covered by FMLA, you have new obligations to employees with family serving in the U.S. Armed Forces!
2. Make sure you are up to speed on how the minimum wage increase impacts your shop and make sure you are in compliance!



Thank You!

Human Resources Committee

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