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**WAGE-HOUR 201:  
The Principles In  
Practice**

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**WAGE-HOUR 201**

- There has been an enormous wage-hour litigation boom
- You must know the fundamentals
- But it is also important to be able to apply them.

Session Focus: Working With The Principles

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**WAGE-HOUR 201**

1.  
Nonexempt employees at CAP, Inc. are tired of punching in and out for their 30-minute lunch. Management says that they don't have to, as long as they are OK with CAP's deducting a half-hour from their worktime every workday. The employees say this is fine with them. Is this a wage-hour problem?

- (a) Yes
- (b) Probably yes
- (c) No
- (d) Probably no

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**WAGE-HOUR 201**

2.

Alicia takes a job with CAP, Inc. in their computer recycling program. She doesn't know how to repair computers, but CAP will teach her. She signs an agreement saying that (1) this training is worth at least \$1,500, and (2) if she leaves before she has worked at least two years, she has to repay a pro rata part of the training cost out of her final paycheck. Are there any wage-hour problems?

- (a) Yes
- (b) No
- (c) It depends

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**WAGE-HOUR 201**

3.

John is a nonexempt employee who works for Smalltown CAP. His normal work hours are from 9 a.m. to 5 p.m. His boss tells him to attend a two-day training session in Bigtown beginning on Monday morning. John leaves to fly to Bigtown on Sunday at 3 p.m., checks into his hotel at 8:00 p.m., has dinner on his own until 9:15 p.m., and then returns to his room, watches TV, and goes to bed at 10:30 p.m. How much of this is FLSA worktime?

- (a) The two-hour period between 3 p.m. and 5 p.m.
- (b) Everything from 3 p.m. until John goes to bed.
- (c) None of it
- (d) All of the time until he returns to Smalltown

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**WAGE-HOUR 201**

4.

Every February 1, CAP, Inc. pays a bonus to eligible nonexempt employees for the prior year if CAP's performance exceeded certain standards. The standards are based on CAP's overall statistics on goals achieved during the year. Employees must be employed at year's end to qualify for a full or partial payment. The bonus is set at 1% of each employee's base pay for the prior year. CAP tells each new employee about the bonus, but CAP says that management reserves the right to withhold an employee's payment if an employee has violated a major CAP policy. Does CAP have to figure FLSA overtime on the bonus payment if the employee worked overtime during the prior year?

- (a) Yes
- (b) No, the bonus is discretionary
- (c) No, the bonus covers an entire year, rather than just a pay period
- (d) No, the bonus is tied to CAP performance, not individual performance.

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**WAGE-HOUR 201**

5.  
Robin is the Accounting Manager at CAP, Inc. She is treated as an exempt "executive" employee, and she is paid a salary of \$600 per week. CAP, Inc. adopts a policy that all supervisory employees are required to keep time records and to work at least 50 hours a week, and that they must make the time up if they don't. They are subject to discipline or discharge if they fail to do so. A month later, Robin has a car problem one day on the way in and works only 46½ hours for the week. She refuses to make up the difference.

Does the policy destroy the FLSA "salary basis" required for Robin's exempt status?

- (a) Yes
- (b) No
- (c) Only if CAP actually fires Robin

Can CAP dock Robin's salary for the 3½-hour shortfall?

- (a) No
- (b) Yes, under the "workplace misconduct" exception.

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**WAGE-HOUR 201**

6.  
Ivy is a clerical employee CAP, Inc. She is paid on a two-week pay period. During one pay period, she works one workweek of 50 hours and one of 30 hours. She asks her supervisor to let her save five of her ten overtime hours so she can take them off around the July 4th holiday. Her supervisor agrees. In light of that agreement, how much FLSA overtime does CAP have to pay Ivy on the payday for that pay period?

- (a) Five hours
- (b) None
- (c) Ten hours
- (d) It depends

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**WAGE-HOUR 201**

7.  
Edna's shift starts at 8 a.m., but her employer expects her to report at 7:45 a.m. Does the FLSA require the 15-minute difference to be treated as "hours worked"?

- (a) No, because employers can round away up to 15 minutes
- (b) Yes, if Edna actually does some work during those 15 minutes
- (c) No, because the 15 minutes is "de minimis"
- (d) Yes, even if Edna does not actually do any work during those 15 minutes

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**WAGE-HOUR 201**

8.

Once a month, Chris is on-call for eight hours a day for each day in a seven-day period. He has to wear a pager and must be able to call-in within 30 minutes after being paged. He cannot drink alcoholic beverages while he is on-call, and he cannot leave the metropolitan area. On average, Chris receives two pages in a seven-day on-call period and spends a total of two hours on the phone or on a computer dealing with the matters that prompted the pages. Is it likely that the idle time Chris spends on-call will be deemed to be FLSA "hours worked"?

- (a) Yes
- (b) No
- (c) It depends

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**WAGE-HOUR 201**

9.

CAP, Inc. has a policy in its handbook saying that nonexempt employees are not permitted to do any overtime work without advance, written approval. CAP is careful to apply this policy consistently so as not to discriminate against anyone. If a nonexempt employee performs work in violation of this policy, the work is recorded, but it is not treated as "hours worked" for purposes of meeting the FLSA's minimum-wage or overtime requirements.

- (a) This is proper under some circumstances
- (b) This is always proper where there is a clear, written policy
- (c) This is never proper.

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**WAGE-HOUR 201**

10.

CAP, Inc.'s Human Resources Director is reviewing the jobs treated as being overtime-exempt. There are dozens of people in these jobs, so he relies on an internal study of all the job descriptions relating to the positions. Some of the descriptions are several years old, but he figures they're close enough. Has CAP violated the FLSA if he decides to treat people holding these jobs as being exempt based upon their job descriptions?

- (a) Yes
- (b) No
- (c) Only if he makes the wrong decisions

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**WAGE-HOUR 201**

11.

IT SPECIALIST: JOB DESCRIPTION

Analyzes, troubleshoots, and resolves complex problems with business applications, networking, and hardware. Documents all work in problem-tracking software. Prioritizes tasks based on service-level-agreement criteria with limited supervision (50%).

Installs, configures, and tests upgraded and new business computers and applications based upon user-defined requirements. Assists users in identifying hardware/software needs and provides advice regarding current options, policies, and procedures. Creates and troubleshoots network accounts and other business-application user accounts as documented in the employee lifecycle process (25%).

Participates in the design, testing, and deployment of client configurations. This requires detailed knowledge of Microsoft operating systems and compatible business applications. Leverages application-packaging software technology for deployment of business applications to client systems (25%).

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**WAGE-HOUR 201**

IT SPECIALIST

Will the U.S. Wage and Hour Division say that this job qualifies for the FLSA "Computer Employee" exemption?

- (a) No
- (b) It depends.
- (c) Yes

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**WAGE-HOUR 201**

12.

Janet is employed as an Administrative Assistant to the Executive Director of CAP, Inc. She is paid on a salary basis at the rate of \$455 per week. According to her position summary, her job is to troubleshoot administrative matters, to attend meetings of the Board and the Executive Committee, to assist with the annual budgeting process, to provide administrative support to CAP officers as needed, and to coordinate activities in which the Executive Director is involved. Is Janet an overtime-exempt "administrative" employee?

- (a) It depends
- (b) No
- (c) Yes

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**WAGE-HOUR 201**

13.  
How many current or former employees must be involved in filing a wage-hour "class" or "collective" action?
- (a) 15
  - (b) 20
  - (c) 50
  - (d) None of the above.

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**WAGE-HOUR 201**

14.  
A jury has just awarded Alan \$10,000 in his FLSA lawsuit against CAP, Inc. What does he have to prove now in order to be awarded another \$10,000 in liquidated ("double") damages?
- (a) That CAP violated the FLSA willfully
  - (b) That CAP didn't rely upon any U.S. Labor Department interpretations
  - (c) Nothing.

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