

# FLSA OVERTIME RULE RISK SCORECARD

On May 18, 2016, the U.S. Department of Labor (DOL) released a new rule that will more than double the salary threshold that employees must meet in order to qualify for an overtime wage payment exemption—a change that could affect more than 4 million workers across the United States.

Failure to comply with the Fair Labor Standards Act (FLSA) can result in lawsuits, criminal charges, fines and restrictions in commerce. A low score does not mean that your organization

is necessarily in compliance. This tool simply makes a general estimate of risk.

Answer the following questions to determine whether your organization is at risk for increased costs, fines and lawsuits.

**INSTRUCTIONS:** Begin by answering the questions below. Each response will be given a numerical value depending on the answer. After completing the questions, total your score using the scale at the bottom of the page.

- **YES:** 2 points      - **UNSURE:** 2 points      - **NO:** 0 points

EXPOSURE	YES	NO	UNSURE	SCORE
1. In the past year, has your organization audited employee hours?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. In the past year, has your organization audited employee wages?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Does your organization have any "white collar" employees making less than \$47,476 per year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Does your organization have any highly compensated employees making less than \$134,004 per year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Does your organization currently have a mechanism in place to track employee hours?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Do you allow employees to work under flexible schedule arrangements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Do you allow employees to work remotely outside of normal working hours (e.g., checking and responding to emails)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Has it been over a year since your organization last reviewed employees' job duties to evaluate whether they fall within the "white collar" exemptions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Has it been over a year since your organization assessed its methods for calculating regular overtime pay?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. In the past year, has your organization reviewed its classification process for independent contractors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Are you comfortable with your organization's knowledge of "compensable hours?"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Does your organization include productivity bonuses, shift premium pay and other employee payments when calculating an employee's total compensation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13. Does your organization rely on contracted labor and staffing firms? If so, has your organization reviewed your joint employment relationships in the past year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14. Are you up to date on your state's overtime laws?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15. Does your organization automatically deduct employees' meal and rest periods from their paychecks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16. Are all required employment postings hung up and visible to employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17. Does your organization pay "straight time" rates to employees who work overtime?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18. Does your organization allow employees to "waive" their right to overtime?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19. Does your organization currently have a clear overtime policy in place for employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20. Has it been over a year since your organization reviewed its employee handbook?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>TOTAL SCORE:</b>				

**Low risk.** Contact Cleary Insurance Inc to confirm: 0-10

**Moderate risk.** Contact Cleary Insurance Inc today: 11-25

**High risk.** Contact Cleary Insurance Inc today: 26-40