EMPLOYMENT LAWSCENE ALERT: ACCOMMODATING EMPLOYEES UNDER THE ADA — THE EFFORT DOESN'T HAVE TO BE PERFECT, IT JUST HAS TO BE MADE

The Americans with Disabilities Act requires employers to make reasonable accommodations for employees with disabilities. This process requires that employers and employees engage in an interactive process to discuss potential reasonable accommodations. The interactive process requires an informal dialogue between the employer and the employee in which the parties discuss reasonable accommodations for an employee's disabilities. A recent case out of the First Circuit shows that the process does not have to be perfect to be adequate and that both the employee and the employer have to engage in the interactive process in good faith.

In *EEOC v. Kohl's Department Stores, Inc.*, No. 14-1268, the employee suffered from Type I diabetes and claimed that her unpredictable work schedule as a sales associate was aggravating her condition and endangering her health. When the employee supported her request for accommodation with a doctor's note, her supervisor spoke with human resources. When the employee and the supervisor met, the employee requested a consistent schedule, which the supervisor said she could not give her. This was a valid decision by the employer as the accommodation given does not have to be the accommodation the employee specifically requests. Instead of proposing another accommodation or discussing the options, the employee got upset and quit. While the employee was leaving, the supervisor asked that she reconsider her resignation and asked to discuss other potential accommodations. The employee refused and left the premises. A week later, the supervisor again called the employee and requested that she come back to work and they could discuss accommodations. The employee did not accept this offer.

The interactive process requires bilateral cooperation and communication and, because the employee did not cooperate in the process and was responsible for the breakdown of communication, the court found that the employer could not be held liable for failure to provide a reasonable accommodation. The lesson for employers is that their efforts do not need to be perfect to fulfill their requirements under the Americans with Disabilities Act; employers simply need to engage in the interactive process in good faith, be willing to discuss potential accommodations with the employee, and, if appropriate, provide the employee with a reasonable accommodation, not necessarily the employee's preferred accommodation, that permits the employee to perform his or her job.

EMPLOYMENT LAWSCENE ALERT: RELIGIOUS ACCOMMODATIONS AND YOUR WORKPLACE

Under Title VII of the Civil Rights Act of 1964, employers are required to accommodate employees' religious beliefs. Two recent cases demonstrate the importance of recognizing when religious accommodations might be necessary.

In March 2014, the EEOC published guidance on religious garb and grooming in the workplace. The guidance states that an employee does not have to use "magic words" to request an accommodation and that a request for a religious accommodation may not even be necessary when the religious practice is "obvious." Of course, the EEOC's guidance is only guidance and does not have the force of law.

Whether notification to the employer and a specific request is necessary to succeed on a Title VII religious discrimination case will be decided by the United States Supreme Court in the coming year when it hears the case *EEOC v. Abercrombie and Fitch*. The case stems from a Muslim applicant who was not given a job at the retailer, allegedly because she wore a headscarf to her interview that conflicted with the store's dress code, which prohibited headgear. The case was dismissed because the Tenth Circuit found that forcing employers to infer that an accommodation was necessary was too burdensome and that a request for accommodation from the employee is necessary before the employer is required to act on it. The Supreme Court will determine whether that is the correct standard for religious discrimination. Until a final decision is made, employers should be aware of the potential need for a religious accommodation even if the employee does not request it because the EEOC is likely to support employees who bring these kinds of claims.

Another recent example is the January 15, 2015 jury verdict out of a West Virginia federal court. In *EEOC v. CONSOL Energy, Inc. and Consolidated Coal Company*, the jury determined that the employer had violated Title VII by failing to accommodate a mine worker's religious objection to using a biometric hand-scanning system that tracked employee time. The employee claimed that he had a sincerely-held religious belief that the hand-scanning system was connected to the "mark of the beast" and the Antichrist and retired instead of using the device. Although the employer offered to let the employee use his left hand with his palm up, the jury determined that it was not a reasonable accommodation.

Employers need to be aware of the need to discuss accommodations for sincerely-held religious beliefs with their employees and their applicants when those issues arise.

EMPLOYMENT LAWSCENE ALERT: SUPREME COURT HEARS ORAL ARGUMENTS ON THE EEOC'S DUTY TO CONCILIATE

On Tuesday, January 13, 2015, the United States Supreme Court heard oral arguments in *Mach Mining LLC v. EEOC*, 13-1019, the outcome of which will have a significant effect on the EEOC conciliation process and a case we have posted on this blog previously. The dispute revolves around whether — and to what extent — courts can enforce the EEOC's obligation under Title VII to conciliate before filing a lawsuit.

The EEOC initially filed a Title VII gender discrimination complaint against Mach Mining in 2011 for allegedly failing to hire or refusing to hire women because of their gender. The EEOC claims that it filed suit after trying to reach a prelitigation settlement through its conciliation process. Mach Mining disagreed and asserted as an affirmative defense in its answer to the complaint that the EEOC had failed to conciliate in good faith as required by the statute.

The Seventh Circuit Court of Appeals created a circuit split when it ruled that employers cannot allege as a defense that the EEOC didn't work hard enough to reconcile disputes before filing suit. All other circuit courts have held that the adequacy of conciliation is subject to court review, although the standard of review varies between courts. According to the Seventh Circuit, the failure-to-conciliate defense went against the statutory prohibition on using what was said and done in conciliation as evidence in future proceedings.

During oral arguments, Mach Mining's attorney suggested that courts be able to conduct a "modest inquiry" into whether the EEOC attempted to resolve a claim of discrimination through conciliation and, if determined that the EEOC had not done so, to require it to conciliate. The EEOC, on the other hand, does not want the courts to have any ability to review its pre-suit conciliation efforts. Chief Justice Roberts, however, voiced his concern that he was "troubled by the idea that the government can do something that [the courts] can't even look at whether they've complied with the law." Justice Beyer echoed Chief Justice Roberts' concerns by saying that "everything just about" is subject to judicial review. Justice Scalia called the EEOC's request that its conciliation efforts be exempted from judicial review as "extraordinary."

The main concern over any judicial inquiry into the EEOC's pre-suit conciliation efforts is the level of inquiry a court should undertake. This is where the appellate circuit courts differ. The Second, Fifth, and Eleventh Circuits evaluate conciliation under a three-part inquiry whereas

the Fourth, Sixth, and Tenth Circuits require instead that the EEOC's efforts meet a minimal level of good faith.

Justices Kagan and Ginsberg's questions seemed to belie a belief that Congress has not put an onerous requirement on what was required of the EEOC in conciliation. Justice Sotomayor stated that she didn't "know how you make something that's designated by Congress as informal into a formal proceeding." Justice Kennedy stated that Title VII's requirement that the EEOC try to eliminate allegedly unlawful employment practices "by informal methods of conference, conciliation, and persuasion" were "very difficult words" for Mach Mining's position. Mach Mining responded by stating that "informal" did not mean that the EEOC could do whatever it wanted.

Although the Court continued to ask the parties to give them a rule that would be acceptable to them, neither came up with an answer the Justices seemed satisfied with. The EEOC initially argued that it should only be required to show that an attempt to conciliate had been made. Justice Scalia, however, honed in on the fact that the EEOC is obligated to try to obtain an agreement that is acceptable to it but, in order to try to obtain an agreement, you have to tell the other side what you want. Similarly, Chief Justice Roberts did not like the "just trust us" approach. The EEOC eventually conceded that the Court could require it to say that it informed the employer of what it objected to and that they had communicated about the issue.

Mach Mining argued that the Court should require that the EEOC reach out to the employer and, if the employer responded that it wanted to conciliate, that the EEOC should have to tell the employer what would be an acceptable offer, which they could legally obtain in court, and how they had arrived at that number. Justice Kennedy stated that this would be akin to enforcing the good faith bargaining of contracts and labor law, which he referred to as "a morass." Justice Kagan called this inquiry "intrusive."

The decision in this case will have a large impact on how the EEOC conciliates cases prior to litigation and how employers will need to approach such conciliation efforts. If the Court rules in the EEOC's favor, it would likely mean that the EEOC could become even more aggressive with its charge to the courthouse with high profile cases, as a lack of good faith or reasonableness would not create a barrier to the EEOC's efforts to litigate a case that an employer might be more than willing to conciliate on fair and reasonable terms — if only given an opportunity.

EMPLOYMENT LAWSCENE ALERT: OSHA IMPLEMENTS NEW REPORTING REQUIREMENTS

New Occupational Safety and Health Administration (OSHA) reporting requirements went into effect on January 1, 2015. These new rules require all employers, even those who are exempt from routinely keeping OSHA injury and illness records due to company size or industry, to report all work-related fatalities, hospitalizations, amputations, and losses of an eye to OSHA.

Employers must report work-related fatalities within 8 hours of finding out about them. Employers will also now be required to report all amputations, partial amputations, losses of an eye, and any inpatient hospitalization of an employee due to workplace injuries to OSHA within 24 hours of the incident. Previously, employers only had to report hospitalizations if they involved three or more employees, which was rare. Employers do not have to report a hospitalization if it is only for diagnostic testing or observation. OSHA's new reporting requirements will dramatically increase the number of incidents that have to be reported to OSHA.

For example, employers will now be required to report all work-related amputations as OSHA broadly defines "amputations" to include a part, such as a limb or appendage, that has been severed, cut off, amputated (either completely or partially); fingertip amputations with or without bone loss; medical amputations resulting from irreparable damage; and amputations of body parts that have since been reattached.

Employers will have three options by which to comply with their reporting requirement to OSHA. First, employers may make a report by telephone to the nearest OSHA area office. Second, employers may make a report by telephone to the 24-hour OSHA hotline at 1-800-321-OSHA (6742). Lastly, employers can report online through OSHA's website (www.osha.gov), which is expected to be operational by mid-January. It is OSHA's plan to publish all reports of injuries on its website.

Because there is likely to be additional reporting to OSHA, OSHA will have additional enforcement opportunities, which means additional inspections for employers. Because OSHA enforcement inspections typically result in citations, this could have a significant impact on the companies that face these inspections due to on-the-job injuries.

Employers should make sure that they are aware of their new reporting duties and are complying properly. More importantly, employers should make sure that they have safe work practices and procedures, have proper safety policies, provide adequate safety training, and ensure that all workplace safety rules are strictly enforced. Preventing workplace injuries should be every employer's goal.

EMPLOYMENT LAWSCENE ALERT: SUCCESSFUL EMPLOYERS RECOGNIZE THE IMPORTANCE OF HAVING WELL-TRAINED SUPERVISORS

Employers in today's society are faced with a variety of workplace challenges, from complying with complex and often confusing employment laws to effectively managing a diverse workforce comprised of individuals from a broad spectrum of society. Let's face it: managing your workforce, making the right employment decisions with regard to hiring, promotions, and terminations; and complying with the numerous, complicated, and sometimes overlapping federal, state, and local employment laws is no easy task. It is even more difficult in these uncertain economic times as employers struggle to maintain their workforce amidst declining revenue and increased costs. The numerous recent changes in employment laws, like the NLRB decisions on union organizing and elections, and proposed changes, such as updates to the FLSA Overtime Exemption, that are certain to take place, will not make things any easier for employers. Successful employers realize that the success of their business to comply with these numerous and complex challenges is dependent upon well-trained supervisors.

A supervisor has several key roles that are essential to the success of the workplace. One of the most critical roles of the supervisor is to carry forward the mission and the vision of the company. This requires the supervisor to embrace and foster the values of the company and to instill those values in the workforce. A supervisor must also possess the technical skills to support the organization, the management skills to achieve the objectives and goals of the company, and the people skills to effectively lead and communicate with employees to enable them to achieve the goals of their job. Supervisors must also direct employees, instruct them, and ensure that they follow organizational policies and procedures. Moreover, supervisors must make important decisions with regard to hiring, job assignments, job performance and evaluation, promotions, pay increases, accommodations, discipline, and termination, all while complying with a myriad of state and federal laws.

Given these very large and demanding responsibilities, individuals placed in a supervisory position soon begin to realize that they have not been given the skills and tools necessary to handle all the dynamic challenges of the job. Successful employers, however, recognize this shortfall and provide their supervisors either inside or outside training to help these individuals become good and successful supervisors.

What defines a good and successful supervisor? A good supervisor is a leader and a motivator who promotes teamwork, teaches safe and efficient work practices, and consistently communicates and enforces work rules and policies. A good supervisor understands his or her role within your organization and the importance of communicating the vision and mission of the company to employees. A good supervisor also demonstrates a loyalty to the values of your company and values the people that contribute to the success of your organization – your employees! Many employers rightly recognize that it is their employees who represent their most important asset and who, in most cases, make the difference between a successful company and an unsuccessful company. Employers also recognize that the best way to achieve value from their employees is to have good and well-trained supervisors who are committed to maximizing the productivity from each and every employee. Well-motivated employees are more productive than less-motivated employees. This is a simple truism but one that is often neglected by employers. Employees who are not motivated in their jobs have lower morale, lower productivity, and diminished loyalty to the organization. Consequently, employees who are not motivated in their jobs usually become disinterested and unsatisfied in their jobs, which, in turn, leads to increased

employee turnover and higher operating costs and lower profit margins for the employer. Supervisors are the individuals who have the most influence and effect upon an employee's motivation.

Well-trained supervisors have the ability to enhance an employee's motivation and the overall morale of your workforce. Well-trained supervisors understand that by (i) treating employees fairly; (ii) valuing and appreciating employees' efforts and contributions to the company; (iii) recognizing their work; and (iv) assigning job tasks that match an employee's skills with the employee's interest in the job will increase employees' motivation and interest in their jobs. A good and productive employee is often times determined by a well-trained supervisor who understands that he or she must be a leader, a communicator, a teacher, and a motivator; sometimes all at the same time. These functions are what define a good supervisor.

Many readers, after reading this article, may think that they don't need to actively train their supervisors as their business is successful or profitable. However, being profitable or successful does not mean that you have good supervisors committed to the values of your company or that your employees are motivated or satisfied in their jobs. Also, giving an individual a "supervisor" job title does not make them automatically equipped to handle the various and demanding responsibilities of the job. To determine the level of your supervisors' understanding of their own role in your company, you should ask each of your supervisors the following three questions:

(1) How do you define your role as a supervisor in our company?

(2) What characteristics or traits do you believe you possess that makes you an effective supervisor?

(3) What is the most important skill you possess as a supervisor?

Depending on their answers, you may want to consider whether providing your supervisors training on the fundamentals of good supervision makes good business sense.

EMPLOYMENT LAWSCENE ALERT: NLRB ISSUES NEW RULES FOR UNION ELECTIONS

On Monday, December 15, 2014, the National Labor Relations Board (NLRB) issued rules that will speed up the union election process. Although the rules do not take effect until April 14, 2015, employers should be aware of them and start preparing for the changes now.

Under the current rules, representation petitions are filed seeking to have the NLRB conduct an election to determine if employees wish to be represented by a union for the purposes of collective bargaining with their employer. The Board then investigates these petitions to determine if an election should be conducted and will direct the election, if appropriate. There is currently a 25-day minimum period of time between the filing of a petition and the date of an election. Parties must agree prior to the election on the voting unit and other issues. If the parties do not agree, the 25-day minimum can be extended in order to hold a pre-election hearing and, if necessary, a post-election hearing. Currently, that date as to when the pre- and post-election hearings are held can vary by Region. Also, under current

rules, parties are not required to identify all specific issues in dispute, and litigation on voter eligibility and inclusion can occur prior to the determination of whether an election should be held.

Under the new NLRB rules, the road to a representation election will be substantially different and quicker. There will no longer be a minimum time frame between the date of the petition and the date of the election. This means that since representation elections will happen more quickly and with a shortened time frame to an election; and employers will be severely limited in their ability to properly and effectively communicate with their employees about the pros and cons of union representation. While the NLRB did not specify any date certain as to when an election must be conducted, under the new expedited election rules, it is anticipated that an election will now occur between 10 and 21 days after the filing of a petition as compared with the current 38 to 45 day time frame.

Now petitions can be filed and transmitted between the parties electronically. With the filing of a representation petition, the petitioning union must also file a letter of position and evidence that employees support the petition (the "showing of interest"). Upon receipt, an employer must post and distribute to employees an NLRB notice about the petition and the potential for an election to follow.

The regional director will now set a pre-election hearing eight (8) days after a petition is filed. The purpose of the pre-election hearing is limited in scope and is designed to determine whether there is a "question of representation." Employers will be required to file a letter of position prior to the pre-election hearing identifying all issues that the employer wishes to litigate before the election. In addition, employers must also provide a list of the names, shifts, work locations, and job classifications of the employees in the petitioned-for unit, and any other employees that it seeks to add to the unit based upon a community of interests. Based upon the evidence presented at the hearing, the regional director will decide whether an election should be held and which, if any, voter eligibility questions should be litigated prior to the election.

If an election is directed, the regional director will ordinarily transmit the notice of election at the same time as the direction of election and will specify in the direction of election the election details, such as the date, time, place and type of election and the payroll period for eligibility. An election date will be set for the earliest date practicable. Now there is a new *Excelsior* list requirement as an employer, within two (2) days after a direction of election is issued (as opposed to seven (7) days under the previous rules), must provide a list of employees eligible to vote that now must include employees' personal phone numbers and email addresses, if available.

The NLRB regional office will then conduct the election and, if necessary, hold a post-election hearing to resolve any challenges to voters' eligibility and objections to the conduct of the election or conduct affecting the results of the election. While objections to voter eligibility had been a pre-election issue, it will now be held off until after the election in the event that the objection becomes moot. However, any issues not raised in the employer's position

statement will most likely be considered waived by the NLRB. The post-election hearing will be scheduled 14 days after the filings of objections.

Although there is already a pending legal challenge to the new NLRB rule, a suit filed by the U.S. Chamber of Commerce and several trade associations, and there are likely to be others, employers should prepare for these rules to be enforced as the NLRB's new rules are game changers for employers. Employers will have less time to effectively communicate with their employees and employees will have less time formulate their true desires as to whether union representation serves their best interests.

Importantly, employers should not wait until an election petition is filed to address workplace issues that may lead to a representation petition being filed. Employers will need to be proactive in informing their employees about their stance on union-related issues and making sure that employees feel that their concerns are being heard and addressed by the employer. Employers should also train supervisors to be aware of issues that could lead to employees' desire to unionize. If an employer anticipates or suspects that any type of union organizing activities is occurring within its workplace, delaying a response is no longer a viable option. Now, employers will be required to immediately begin the process of drafting communications to employees upon any indication of organizing activities and devise a sound and lawful strategy as to how it will confront any attempt to organize well before a petition is filed. Waiting to act until a petition is filed may be too late!

EMPLOYMENT LAWSCENE ALERT: NLRB DECIDES THAT WORKERS CAN USE THEIR EMPLOYERS EMAIL — EVEN FOR UNION ORGANIZING

On December 11, 2014, in *Purple Communications, Inc.*, the NLRB overturned its 2007 *Register Guard* decision and held that employees have the right to use their employers' email systems for nonbusiness purposes, including communicating about union organizing. The NLRB emphasized the importance of email as a critical means of communication for employees, especially in today's workplace culture, and noted that some personal use of an employer email system is common and often accepted by employers. Because communication among employees is a foundation for the exercise of Section 7 rights, the NLRB held that employers who have chosen to give employees access to their email systems must now permit those employees to use those systems for statutorily protected communications on nonworking time. Employers are permitted to monitor employees' email

use to ensure that it is being used properly. Employers will not be engaged in unlawful surveillance of Section 7 activity unless they do something "out of the ordinary," such as increasing monitoring during an organizational campaign or focusing monitoring effects on protected conduct or union activists.

In an attempt to balance the employees' Section 7 rights to communication with the legitimate interests of employers, this decision only applies to workers who have already been given access to their employers' email systems; employers are not required to provide access to employees. Businesses may also be able to justify a complete ban on non-work use of email if they can point to special circumstances that make such a prohibition necessary to maintain production or discipline. It will be the employer's burden to show what the interest at issue is and demonstrate how that interest supports any email use restrictions the company has implemented. The decision did not address email access by non-employees or any other type of electronic communication systems.

Employers should review their computer use and e-mail policies in light of this decision. Employers should determine which employees should or need to have access to their computer and e-mail systems and whether there is any business justification to impose a complete ban on non-work use of email.

EMPLOYMENT LAWSCENE ALERT: SUPREME COURT DECIDES SECURITY CHECK TIME DOESN'T NEED TO BE PAID TIME

On December 9, 2014, the Supreme Court of the United States issued its decision in *Integrity Staffing Solutions, Inc. v. Busk et al.*, ruling that time spent waiting to undergo and undergoing security screenings after work each day is not compensable time under the Fair Labor Standards Act ("FLSA"). This case involved a collective claim by employees of a temporary staffing agency who worked at Amazon warehouses in Nevada retrieving products from shelves and packaging those products for delivery. These employees were required to pass through a security check after the end of their shift to make sure that they had not pilfered any product from the warehouse. At times, employees were required to wait as long as 25 minutes in line before they could leave the premises.

In overruling the Ninth Circuit Court of Appeals, the Supreme Court held that the activity of waiting in a security line, after work, was not a "principal activity or activities which the employee is employed to perform" because they were hired to retrieve products from

warehouse shelves and package them, not to go through security screenings. Pursuant to the Portal-to-Portal Act, an employer is not required to pay minimum wage or overtime compensation for activities which are preliminary or postliminary to an employee's principal activities. The U.S. Department of Labor deems that the term "principal activities" encompasses "all activities which are an integral part of the principal activity," including those related activities which are "indispensable to its performance."

The Court concluded that the security screenings were not "integral and indispensable" to the employees' duties because it was not an intrinsic element of retrieving products from shelves and packaging them for shipment and could have been eliminated if the employer so desired. The Court found that the Ninth Circuit had erred in focusing on whether the employer required an activity because that was too broad of an interpretation and the focus under the FLSA and Portal-to-Portal Act is whether the activities are "integral and indispensable" to the productive work that the employee is employed to perform.

Employers should take note of this decision in determining what pre- and post-shift activities must be compensated. Time spent performing activities related to an employee's duties, such as donning and doffing protective gear that is necessary for performing an employee's job duties, should generally be compensated. However, not all activities, such as waiting at a security check and waiting in line to receive pay checks, are compensable.

EMPLOYMENT LAWSCENE ALERT: CAN AN EMPLOYER DEDUCT AN EXEMPT EMPLOYEE'S SALARY WHEN THE EMPLOYER CLOSES ITS BUSINESS DUE TO EITHER INCLEMENT WEATHER OR A POWER OUTAGE?

The Fair Labor Standards Act ("FLSA") provides an employer an exemption for minimum wage and overtime payments for any employee employed in a bona fide executive, administrative, or professional capacity. An employee may qualify for exemption if the employee meets all of the pertinent tests relating to duties and receives compensation on a "salary basis" at not less than the minimum amounts as described in the appropriate section of the regulations. The FLSA regulations provide that, for an exempt employee to be paid on a "salary basis," the employee must receive his or her full salary for any week in which the employee performs any work without regard to the number of days or hours worked. An employee will not be considered to be paid on a "salary basis" for any week if deductions are

made to an employee's salary for any absence occasioned by the employer or by the operating requirements of the business. However, a deduction may be made when an exempt employee is absent from work for one or more full days for personal reasons, other than sickness or disability.

Oftentimes, the question arises whether an employer can deduct a day's wage from an exempt employee's salary when the employer closes its business due to inclement weather (e.g., a snowstorm) or a power outage. In other words, does an employer need to pay an exempt employee for that day when no work was performed by the employee because of the employer's decision to close its business? It is the U.S. Department of Labor's ("DOL") position that an employer must pay an exempt employee his or her full salary if the employer closes its operations due to a weather-related emergency or other emergency, such as a power outage. The DOL's position is based, in part, on the FLSA's regulations that provide that deductions may not be made for time when work is not available. When it is the employer's decision to close its business because of some emergency, whether it is due to severe weather or a simple loss of power, the DOL presumes that employees remain ready, willing, and able to work. Under such circumstances, deductions may not be made from an exempt employee's salary when work is not available. If deductions are made under such circumstances, the employer risks losing the exemption, thus subjecting it to potential overtime liability.

On the other hand, when an emergency causes an employee to choose not to report to work for the day, even though the employer remains open for business, the DOL treats such an absence as an absence for personal reasons. This type of absence does not constitute an absence due to sickness or disability. Consequently, an employer that remains open for business during a weather emergency may lawfully deduct one full day's wages from an exempt employee's salary if that person does not report for work for the day due to adverse weather conditions. Such a deduction will not violate the "salary basis" rule or otherwise affect the employee's exempt status. If, however, the employee works only a partial day because of weather-related issues, the employer may not make deductions from the employee's salary for the lost time because an exempt employee must receive a full day's pay for the partial day worked in order for the employer to meet the "salary basis" rule.

EMPLOYMENT LAWSCENE ALERT: HOW TO AVOID BECOMING A WAGE AND HOUR

MISCLASSIFICATION HEADLINE

Employers who label their employees as overtime exempt should be cautioned by a recent settlement out of a Florida federal court. The case, *Lytle et al. v. Lowe's Home Centers Inc. et al.*, 12-CV-01848 (M.D. Fla.), was premised on the allegation that plaintiff Lizeth Lytle and a class of similarly situated employees were improperly classified as exempt from the Fair Labor Standards Act ("FLSA") overtime requirements.

The FLSA requires that employees must be paid overtime for all hours worked in excess of forty hours per workweek, unless the employee is exempt. Exempt employees include those who qualify as a bona fide executive, administrative, or professional. Simply being paid on a salary basis does not, by itself, determine the exempt status of an employee. Rather, beyond the requirement that an employee be paid on a salary basis of not less than $455 per week, an employee's job duties must satisfy the criteria to qualify under either the executive, administrative, or professional exemption. Importantly, job titles do not determine exempt status.

In the *Lytle* case, the class alleged that, although classified by their employer as exempt, their duties did not rise to the level required by the FLSA duties tests. The plaintiffs argued that, despite their managerial description as "Human Resource Manager," none had the ability to make meaningful decisions, nor did they supervise employees; instead, their job duties included tasks such as operating cash registers, cleaning bathrooms, greeting customers, and sweeping floors. The employer denied that it violated any laws; however, it agreed to, and the Court approved, a $3.5 million class settlement and a $1.3 million attorney fee award.

Employers who have classified their employees as "exempt" from overtime pay should not simply rely on the fact that an employee is being paid on a salary basis or that his or her job title may imply executive or administrative job responsibilities. Instead, employers should make sure that the actual job duties of each employee claimed as exempt meet the particular job duties of an executive, administrative, or professional employee. Drafting and keeping up-to-date written job descriptions that accurately describe an employee's actual job responsibilities is an important step in making sure that employees are properly classified as "exempt" or "non-exempt" and helping your company avoid becoming another wage and hour collective action headline.