Wage and Hour Violations

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It is crucial that employers comply with state and federal wage and hour laws, including minimum wage laws. Failure to do so runs the risk of wage claims and lawsuits from employees, not to mention investigations and crackdowns by government agencies.

The garment industry in Southern California is one area that has attracted the attention of officials at the state and federal level, as noted in an <u>AP story</u>. According to the AP, federal officials intend to crackdown on sweatshop conditions in an effort that could last years.

The Federal minimum wage currently stands at \$7.25 an hour. California's minimum wage is slightly higher than the national rate, currently \$8.00 an hour. Additionally, employers must be aware of local city or county rules which require an even higher rate than the state or federal levels. For example, the minimum wage for an employee in San Francisco is currently \$10.24 an hour. The law requires an employer to pay a minimum wage at the higher rate if the local city or state's minimum wage is greater than the Federal law.

There are exceptions to minimum wage requirements. In California these are generally found in Wage Orders issued by the Industrial Welfare Commission, which provide different requirements for certain categories of workers, including non-profit employees and learners. You should consult with an attorney to determine whether your business may pay certain workers less than the minimum wage.

Legislation to raise the minimum wage is often introduced at the state and Federal level. Proponents argue that the minimum wage is not enough for a person to live on, that the minimum wage has not been raised in several years, and that it should be increased consistent with the local or national inflation rate.

Opponents point to studies that suggest minimum wage increases will result in fewer jobs, as employers cut back or curtail new hiring rather than paying higher rates.

One thing is clear. Employers need to periodically review their payrolls to comply with minimum wage laws.

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