

Overtime Law

How Overtime Law Affects Household Employers

A Complimentary Resource from
Breedlove & Associates

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Household employees must be compensated according to the Fair Labor Standards Act (FLSA), which provides the framework for federal and state wage and hour law. The FLSA classifies household employees as non-exempt workers, requiring that the household employment industry provide overtime pay. The following outlines what you need to know in order to structure your household employment relationship successfully.

Standard and Overtime Pay

- The standard workweek is defined as 40 hours in a 7-day period.
- An employee's hourly earnings must be equal to or greater than the federal minimum wage. Some states have a higher minimum wage which trumps the federal rate.
- Overtime must be paid at 1.5 times the regular hourly rate – and it must be paid for all hours worked over 40 in a week.
- Overtime is not required for holidays worked.
- No limit is placed on the number of hours worked in a 7-day workweek, as long as the employee is fairly compensated.
- Live-in household employees do not have to be paid overtime but are entitled to the regular hourly wage for every hour worked.
- Additional overtime requirements can be imposed by the state. Please contact us for specific overtime requirements in each state.

Overtime requirements must be met even when a salary is paid.

When a household employee is paid in the form of a salary rather than an hourly wage, the regular hourly rate and the overtime rate that comprise the salary should be addressed as a standard part of the employment contract.

An example:

A nanny and family agree upon a gross salary of \$600 per week for a 48-hour work week.

The regular rate for the first 40 hours is \$11.54 per hour.

The overtime rate for the remaining 8 hours per week is \$17.31 per hour.

The total weekly salary is \$600.

It is recommended that salary, as well as the regular rate and overtime rate, be addressed in writing in order to protect both employer and employee. When overtime is not explicitly stipulated in the employment contract for salaried employees, the law will side with the employee in an overtime dispute. More importantly, a critical relationship may terminate over a wage issue that could have been handled correctly and easily at the time of hiring.

**If you have any questions about overtime law,
please don't hesitate to call us at 1-888-BREEDLOVE (273-3356). We're here to help.**

