

Set Clear Expectations from the First Day

Show employees that their success is important to you by communicating immediately when expectations are not met.

- Record time daily.
- Record exact times of arrival and departure.
- Be clear on scheduled hours of work, meal breaks, and rest breaks.
- Best practice is for the employee to enter time daily.
Best practice—approve and review daily.
- Discuss and confirm overtime expectations.
Best practice—inform employees all overtime must be approved in writing in advance.
- Other expectations: cell phone use, personal use of internet, using Pepperdine property for personal pursuits.

Note: Time cards are legal documents and employees must record their time to the minute, without exception.

Circumstances Where Overtime Applies

It is important to understand the legal definition when overtime and meal penalties apply, in order to help mitigate their associated costs.

1.5 times the regular rate:

- Time worked over 8 hours in a single day.
- Time worked over 40 hours in a work week.
- The first 8 hours worked on the 7th consecutive day of the work week.

2.0 times the regular rate:

- Time worked over 12 hours in a single day.
- Time worked over 8 hours on the 7th consecutive day of the work week.

Note: Compensatory time-off (or comp time), is not a legal option at Pepperdine. However, it is appropriate to modify the employee's work schedule for the week to help mitigate overtime costs.

Breaks and Meal Periods

We are legally obligated to provide employees with the following rest and meal breaks:

- One paid 15-minute duty-free break for each 4-hour period of work (break occurring near the middle of each 4-hour period).
- A 30-minute unpaid meal period for every 5 hours of work. Important! If a 30-minute unpaid meal period is not provided by the end of the 5th hour, a 1-hour meal penalty must be paid to the employee.
- A second 30-minute unpaid meal period for every 10 hours of work. Important! If a 30-minute unpaid meal period is not provided by the end of the 10th hour, a 1-hour meal penalty must be paid to the employee.

Note: Legally we must calculate the time period for these breaks to the minute. (For example, an employee arriving at 8:00am must take their meal break no later than 12:59pm to avoid incurring a meal penalty.) Also, an employee who takes a 29-minute lunch rather than a 30-minute lunch will incur a 1-hour meal penalty.

Travel Time

Please contact HR for any questions regarding what is and what is not considered compensable time for employees.

- Travel time is compensable if the employee is subject to the control of the employer.
- Time spent traveling to a one-day assignment (for example, traveling between campuses, or to an off-site workshop) **is** compensable.
- Time spent traveling to an out-of-town or overnight assignment **is** compensable.

Absence Reporting

- Vacation and Floating Holidays are available when approved by the supervisor in advance.
- Sick Time is available when the employee is sick, for medical appointments, and to care for family members.
 - Employees must notify the supervisor at the beginning of each work day missed.
 - If a "pattern" of absence occurs, supervisors may request a doctor's note before the employee may return to work.
- Personal Business (not compensable)
 - Personal business is a non-pay code that notes the employee is absent from work and is not using other accruals, and is approved by the supervisor in advance.
- Make-Up Time: An employee may initiate a written request to make up lost time (for example, a medical appointment) approved at the employer's discretion. Time must be made up during the same work week, and cannot cause the employee to exceed 11 hours in a work day or 40 hours in a work week.

Note: Supervisors can view absences, overtime accruals, and meal penalties in Kronos.

Work Day

A defined 24-hour period.

12:01 a.m. to 12:00 midnight

Work Week

7 consecutive 24-hour periods.

Monday, 12:01 a.m. to Sunday, 12:00 p.m. midnight

Separations

Note: Employees must receive a final paycheck by the last day of employment.

- Vacation and Floating Holiday accruals are included in the final check.
- Exception: When the employee fails to provide timely notice, Pepperdine has up to 72 hours to produce the final check.

White Collar Exemptions from Wage and Hour Law

Note: Salary tests are subject to change based both on federal and state laws.

- Salary Test effective January 1, 2020: \$54,080 or \$4,507 per month
- Salary Test effective January 1, 2021: \$58,240 or \$4,854 per month
- Salary Test effective January 1, 2022: \$62,400 or \$5,200 per month
- Duties Test:
 - More than 50% of the time must be spent engaging in exempt level duties such as:
 - Exercising discretion and independent judgment on matters of importance.
 - Supervising employees and/or responsibility for overseeing major areas or processes.
 - Performing non-manual work directly related to management policies or general business operations (administrative task such as data entry, processing finance requisitions, substantiating credit cards, scheduling appointments, answering phones, etc).

Work Authorization

Government Requirements:

- Complete Section 1 of Form I-9 **on or before the 1st day** of employment.
- Present acceptable documents to Human Resources by the **3rd day** of employment. These required documents verify the individual's identity and eligibility to work in the United States.

Restricted Employees

- Temporary employees who work full-time for 60 days must be moved to a restricted status.
- Restricted employees receive the same benefits as regular employees, but have an expected end date that must be renewed at the end of each fiscal year.
- Restricted employees are not contract employees and so we should not refer to them as such.

Independent Contractors / Consultants

Note: Must pass the "ABC Test" codified by California's AB5 law on January 1, 2020

- This requires the University to presume that the individual is an employee unless proven otherwise by passing all three of the tests below:
 - Is the worker free from the control of the employer in performance and in fact?
 - Is the work outside the course of the employer's normal business?
 - Is the worker customarily engaged in an independently established business of the same nature as the work performed for the University?

Relationship Considerations

- Is the individual a current employee?
- Is the individual a previous employee?
- Would this assignment result in a W-2 and 1099 being issued through Pepperdine in the same calendar year?

Volunteers

- Please consult HR before utilizing volunteers in your department.
- Considerations:
 - Will the work displace another employee?
 - Do we normally pay for this service?