

EMPLOYMENT COMPLIANCE

At Pepperdine...

We want to do things right.

- Follow the law.
- Protect the University.

We want to do the right thing.

- Treat individuals with dignity and respect.
- Clearly communicate expectations.

- Wage and Hour Regulations.
 - Timekeeping, Overtime, Breaks, Meal Periods.
 - Make-Up Time, Travel Time.
- Exemptions From Wage and Hour Rules.
- Independent Contractors/Consultants.
- Volunteers.
- Employment Authorization/Form I-9 Requirements.
- Employment Authorization/Immigration.

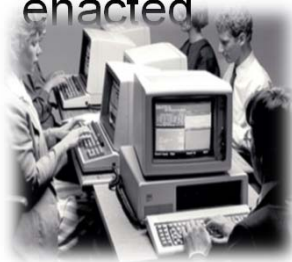
Wage and Hour Compliance

California
**Industrial
Welfare
Commission
(IWC)** created.



1938

IWC Industrial
Wage Orders
enacted



2009

\$11.00 in
CA



**JULY
2019**

\$15.00
in LA
County



1913



U.S. Congress
enacts the **Fair
Labor Standards
Act (FLSA).**

1980



\$7.25 in US

**JAN
2018**



\$14.25 in
LA
County

**JULY
2020**

LA County Minimum Wage Increase Schedule

Date	Minimum Hourly Rate
July 1, 2016	\$10.50
July 1, 2017	\$12.00
July 1, 2018	\$13.25
July 1, 2019	\$14.25
July 1, 2020	\$15.00

Pepperdine Policy: Effective 8/01/2017, all regular, full-time staff positions must pay a minimum of \$16.83 per hour (\$35,000 annually).

Hours must be accurately recorded, approved, and paid in a timely manner.

Best practice:

- Employee enters time on a daily basis.
- Supervisor checks and approves time on a daily basis.

Work Day:

A defined 24-hour period.

- Pepperdine's Work Day:
Monday, **12:01 a.m. to Sunday, 12:00
midnight**

Work Week:

Defined as 7 consecutive 24-hour periods.

- Pepperdine's Work Week:
**Monday, 12:01 a.m. to Sunday, 12:00
midnight**

Overtime applies in 5 different circumstances:

- 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.

Overtime

Date	Pay Code	Amount	In	Transfer	Out	In	Transfer	Out	Shift	Daily
Mon 3/20			7:58AM		12:01PM	12:48PM		6:00PM	9.25	9.25
Tue 3/21			8:01AM		12:00PM	1:10PM		5:10PM	8.0	8.0
Wed 3/22			7:55AM		1:00PM	1:59PM		5:00PM	8.0	8.0
Thu 3/23			7:30AM		12:05PM	1:00PM		5:00PM	8.5	8.5
Fri 3/24			8:05AM		12:30PM	1:02PM		5:07PM	8.5	8.5
Sat 3/25			2:00PM		4:00PM				2.0	2.0
Sun 3/26			2:00PM		4:00PM				2.0	2.0

Accruals

▼ All ▼

Location	Job	Account	Pay Code	Amount
		STN/10375/0192/0/0/0/0	All Regular and Leave	40.0
		STN/10375/0192/0/0/0/0	Overtime	6.25
		STN/10375/0192/0/0/0/0	Regular	40.0

Employees are entitled to a paid break during each 4-hour period of work.

University policy provides employees with one paid 15-minute break for each 4-hour period of work.

- By law, each break must occur near the middle of the 4-hour period.

Meal Period: a 30-minute unpaid period for every 5 hours of work.

By law, if a 30-minute unpaid meal period is not provided by the end of the 5th hour of work, a 1-hour meal penalty must be paid to the employee.

Meal Periods

Date	Pay Code	Amount	In	Transfer	Out	In	Transfer	Out	Shift	Daily
Mon 3/20			7:58AM		12:01PM	12:48PM		6:00PM	9.25	9.25
Tue 3/21			8:01AM		12:00PM	12:28PM		5:10PM	8.75	8.75
Wed 3/22			7:55AM		1:00PM	1:59PM		5:00PM	8.0	8.0
Thu 3/23			7:30AM		12:05PM	1:00PM		5:00PM	8.5	8.5
Fri 3/24			8:05AM		4:49PM				8.75	8.75
Sat 3/25										
Sun 3/26										

Accruals

▼ All ▼

Location	Job	Account	Pay Code	Amount
		STN/10375/0192/0/0/0/0	All Regular and Leave	40.0
		STN/10375/0192/0/0/0/0	Meal Penalty 	2.0
		STN/10375/0192/0/0/0/0	Overtime	3.25
		STN/10375/0192/0/0/0/0	Regular	40.0

Per California Wage Order 5, compensatory time off is not an option for non-exempt Pepperdine employees.

Managing Overtime:

- Must occur within the same work week.
- Rearrange the schedule for the work week in which after-hours or weekend work must occur.
- Advanced planning is critical!

An employee's written request to make up lost time due to a personal obligation may be approved at the employer's discretion.

- Must occur within the same work week.
- Make-up time may not cause the employee to exceed 11 hours in a work-day or 40 hours in a work week.
- Employer must not solicit the employee to request make-up time.

Travel time is compensable if the employee is subject to the control of the employer.

- Time spent commuting to and from work is not considered hours worked.
- Time spent traveling to a one-day assignment is compensable.
- Time spent traveling to an out-of-town or overnight assignment is compensable.

An employee's final paycheck must be presented within a specific time frame.

A final paycheck must be received on 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.

- Record exact times of arrival and departure.
- Record time daily.
- Be very clear on the scheduled hours of work, breaks and meal periods.
- Be specific about when you expect timecards to be approved for your review.
 - Best practice—approve and review daily.
- Overtime expectations
 - Best practice—inform employees all overtime must be approved in advance.
- Other expectations: cell phone use, personal use of internet, using Pepperdine property for personal pursuits.

- Vacation and Floating Holiday is available when approved by the supervisor in advance.
- Sick Time is available when the employee is sick, for medical appointments, and to care for immediate 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 can return to work.
- Personal Business (not compensable)

Executive, Administrative and Professional

- Salary Test:
 - Two times the state minimum wage.
 - \$54,080 annually or \$4,507 per month.
- Duties Test:
 - More than 50% of the time must be spent engaging in exempt level duties. (More than 50% of the time cannot be spent on clerical tasks such as correspondence, reconciling credit card, finance requisitions, basic database maintenance, auditing, running queries, etc.)
 - Independent Judgment.
 - Exercise discretion on matters of significant importance to the University.

California State Minimum Salary Increase Schedule

Date	Hourly Minimum Wage	Monthly	Annually
January 1, 2017	\$10.50	\$3,640	\$43,680
January 1, 2018	\$11.00	\$3,814	\$45,760
January 1, 2019	\$12.00	\$4,160	\$49,920
January 1, 2020	\$13.00	\$4,507	\$54,080
January 1, 2021	\$14.00	\$4,854	\$58,240
January 1, 2022	\$15.00	\$5,200	\$62,400

Independent Contractors/Consultants

- Free from the control of the employer in performance and in fact.
- Work is outside the usual course of the employer's business.
- Worker is customarily engaged in an independently established trade.
- 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 we can prove otherwise by passing all three of the tests below:
 - Is the worker is free from the control of the employer in performance and in fact?
 - Is the work outside the course of the employer's normal business?

Internal Control Factors to Consider:

- Are they currently an employee?
- Have they previously been an employee?
- Would this assignment result in a W-2 and 1099 being issued through Pepperdine in the same calendar year?

Factors to Consider:

- Have services been offered 'without contemplation of payment for humanitarian, public service, or religious reasons?'
- Will the work displace another employee?
- Do we normally pay for the service?

NOTE: Current Pepperdine employees may volunteer their services for work that is outside the scope of their paid position.

In order for an employee to begin working, the following conditions must be met.

- 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.

Employer Sponsored Visas

- Visa Types: **H1B**, O-1, J-1
- H1B visas are for specialty occupations.
- The position must pay at least the prevailing wage as determined by the U.S. Department of Labor.
- Once approved by the U.S. Citizenship and Immigration Service, conditions of employment may not change.
- Outside immigration counsel assists the University with the process.
- Legal and filing fees must be paid by the department.
- Plan ahead. Visas can take up to 8 months for approval.

Employer Sponsored Permanent Residency

- Recruitment: permanent residency sponsorship requires the University to prove the individual is the most qualified person for the position.
- The position must pay at least the prevailing wage.
- Outside immigration counsel assists the University with the process.
- There are 3 stages to permanent residency process.
 - Stage 1: costs must be paid by the department.
 - Stage 2 and 3: it is permissible for the employee to reimburse these expenses.

Thank you!

PEPPERDINE | Human Resources

If you need assistance, please contact the employment team.

Email: employment@pepperdine.edu

Phone: (310) 506-4397