

Changing with the Times...

Wage and Hour

PHOTOCOPY
PRESERVATION

WAGE AND HOUR PRESENTATION TO THE VICE PRESIDENT

I. Making The High Road Pay

- A. Certification of Employee Handbooks
 - 1. Wage and Hour certifies FLSA and FMLA aspects of employee handbook.
 - 2. Pilot program in hotel/motel industry where employer participation is voluntary.
- B. Incentives for Employer Participation
 - 1. "Certification" by third parties under appropriate circumstances.
 - 2. Employers assume responsibility.
 - 3. Workers aware of their rights.

II. Weeding Out Regulations

- A. Eliminate Regulations
 - 1. 24 of a total of 75 parts of regulations, or approximately 33%.
 - 2. 274 of 1165 pages, or about 25% of total pages.
- B. Simplify Regulations
 - 1. Examine lengthy, complicated regulations.
 - 2. Work with customers and front-line staff to develop solutions.
 - 3. Recordkeeping regulations.

III. Focus on Results Not Process

- A. Alternative Dispute Resolution
 - 1. Expand pilot program which resolved cases in 3 months instead of 3 years.
 - 2. Expand beyond penalties for farm labor violations.
- B. Nationalize Self-Audits
 - 1. Increase efficiency and limit unnecessary burden on employers.
 - 2. Employers review their own records.
 - 3. No government disruption of businesses.
 - 4. Wage and Hour reviews calculations for accuracy.
- C. Improve Performance Appraisal System
 - 1. Wage and Hour has already eliminated enforcement quotas.
 - 2. Emphasis on customer service.
 - 3. Wage and Hour continuing to review standards.

Wage and Hour Division

MAKING THE HIGH ROAD PAY

- Certification of Employee Handbooks

WEEDING OUT REGULATIONS

- Eliminate Regulations
- Simplify Regulations

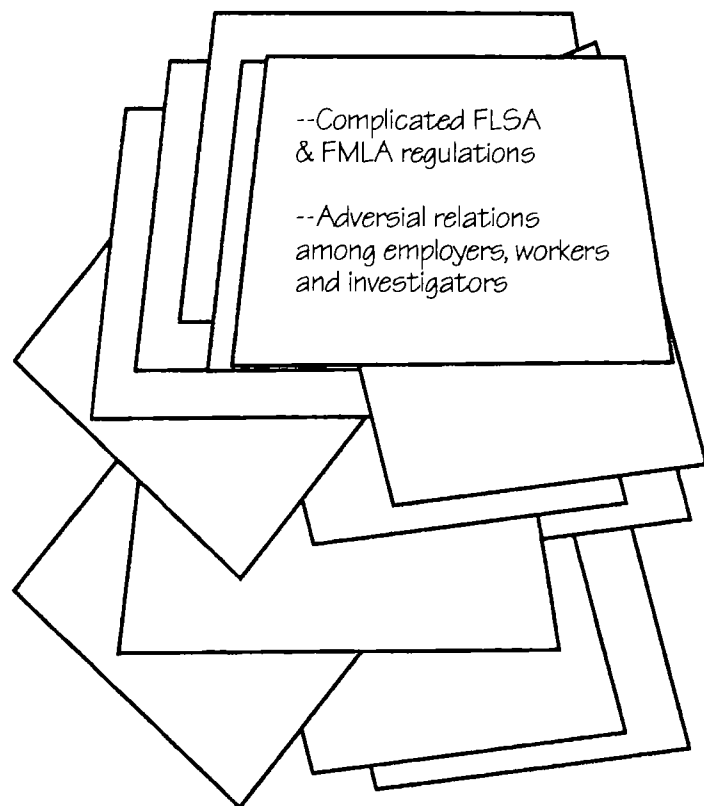
FOCUS ON RESULTS - NOT THE PROCESS

- Alternate Dispute Resolution
- "Self-Audits"
- Harmonization of Federal and State Laws
- Performance Standards for Investigators

Choosing the High Road!

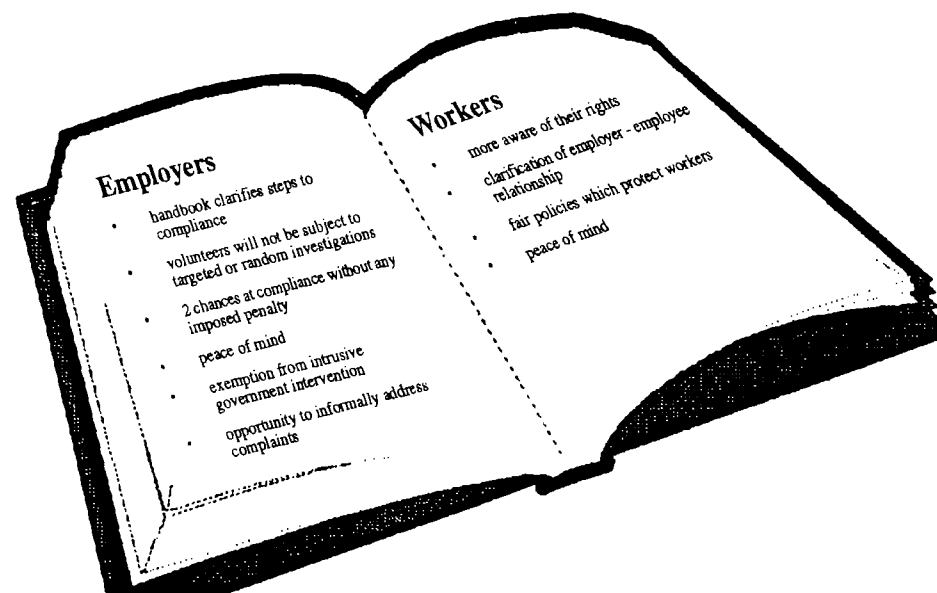
The Old System:

Employers Required to Comply with
Over 800 Pages of Regulations!



New and Improved System:

1 Employee Handbook
in Plain Language



A Win-Win-Win Situation

Employers

handbook clarifies steps to compliance

volunteers will not be subject to targeted or random investigations

2 chances at compliance without any imposed penalty

peace of mind

exemption from intrusive government intervention

opportunity to informally address complaints

Workers

more aware of their rights

clarification of employer-employee relationship

fair policies which protect workers

peace of mind

Investigators

no longer attempting to police over 6 million employers to determine compliance

saves resources for vigorous pursuit of "bad actors"

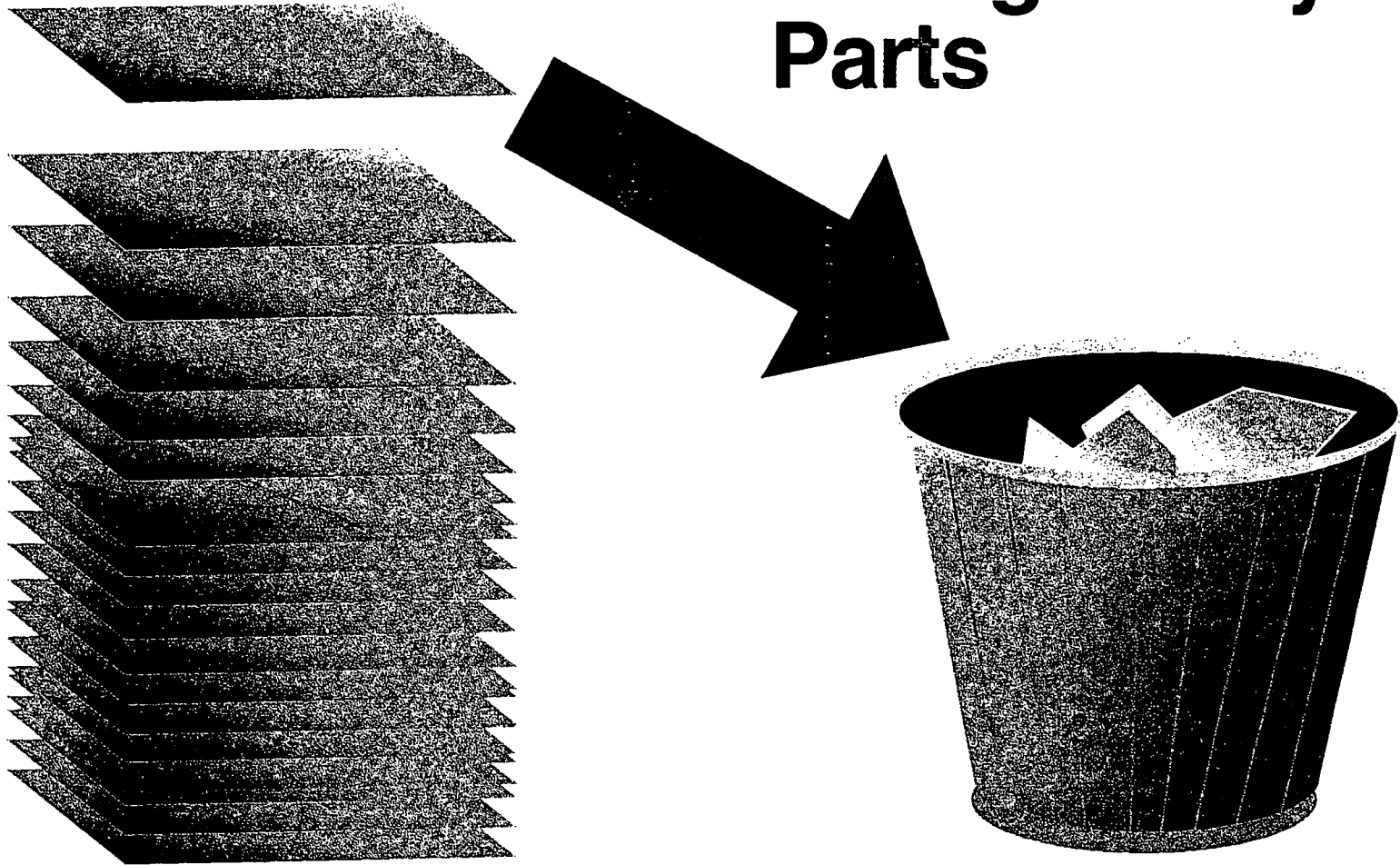
fosters cooperative relations with employers

assists compliance among well-intended employers

expands employee awareness of existing worker protections

Wage and Hour :Weeding Out Regulations

**33%
of Regulatory
Parts**



Weeding Out Regulations

Eliminate Regulations

- 44 pages interpreting minimum wage and overtime provisions that apply to seamen, fishing operators and aquatic products
- 18 pages on the procedure for employers to apply for special certificates to pay learners subminimum wages
- 21 pages interpreting partial overtime exemption for wholesale or bulk petroleum distributors

Weeding Out Regulations

Simplify Regulations

Problems

- 55 pages of overtime pay requirements
ex.- regular overtime rate for talent fees in the radio and TV industry
- 100 pages of FLSA application to retailers of goods and services
ex.- do feed dealers and frozen food locker plants qualify for retail/service exemption?
- 73 pages of exemptions applicable to agriculture
ex.- the raising of fur-bearing animals, pea vining, and country elevators

How Do We Solve the Problems?

- Work with employers
- Work with front-line staff
- Work with interested parties

Alternative Dispute Resolution

Offers Employers a Quick Fix

BEFORE

- formal administrative appeals process - many steps
- 3 years
- government imposed
- expensive
- written response and legal memoranda

AFTER

- informal - few steps
- 3 months
- partnership with employers
- inexpensive
- oral resolution

expand to 5 states
FLSA violations

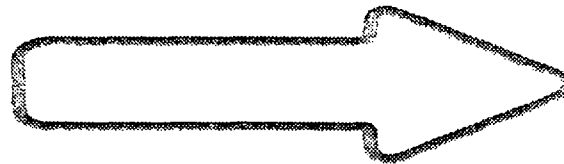
Alternative Dispute Resolution Provides Timely Service to Employers

BEFORE



**36
months**

Formal Appeals
Process



AFTER

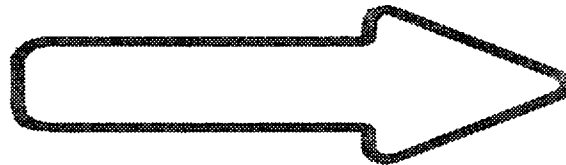


Alternative Dispute
Resolution

GOAL: Expand Alternative Dispute Resolution to More States

BEFORE

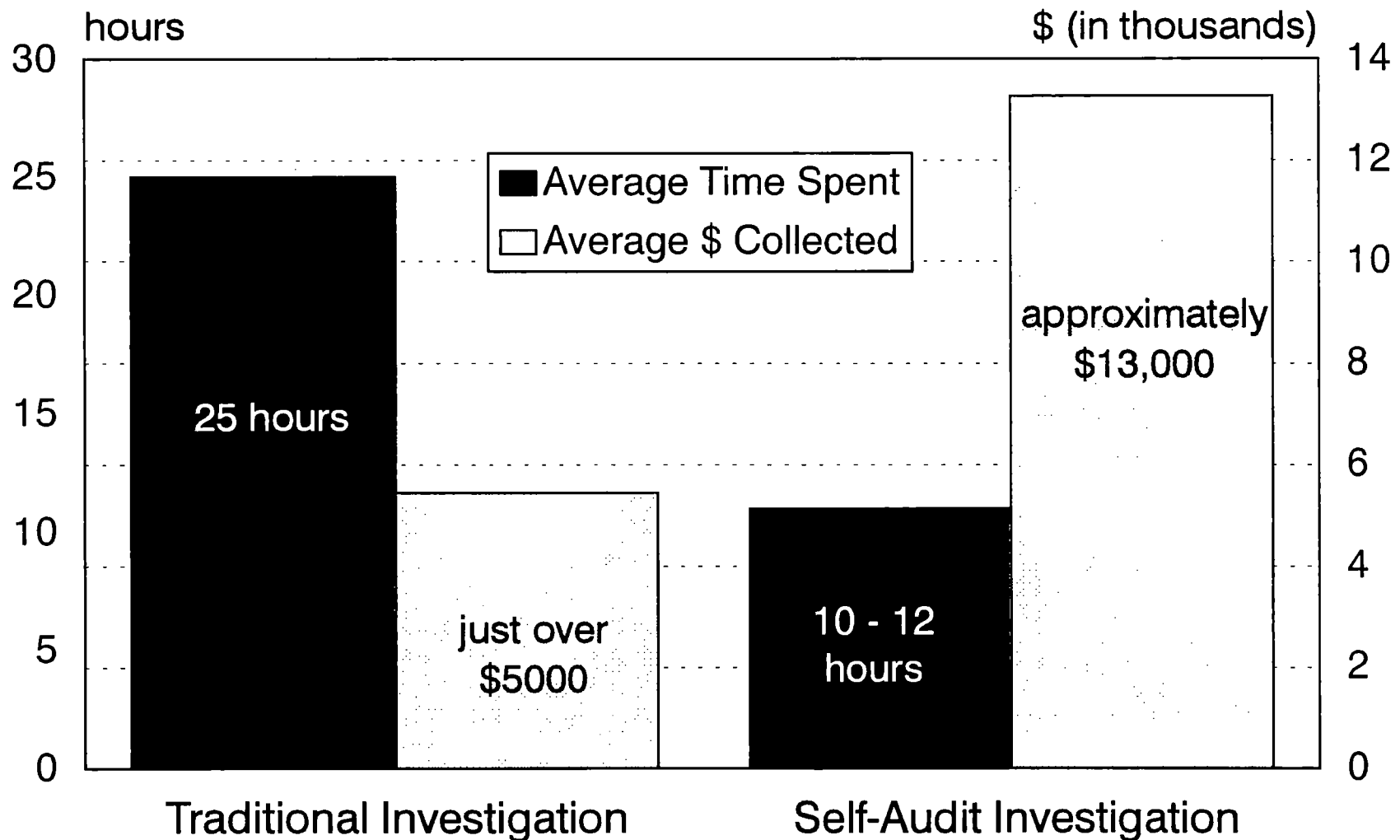
**SOUTHERN
NEW JERSEY**



AFTER

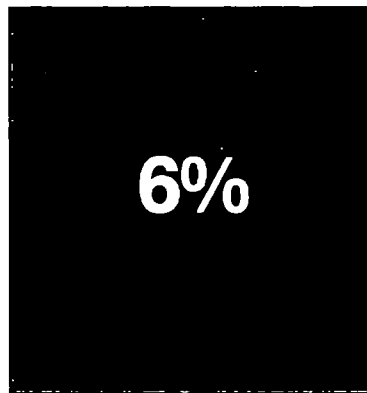
**5
STATES**

Self-audit enforcement technique saves time and collects more back pay

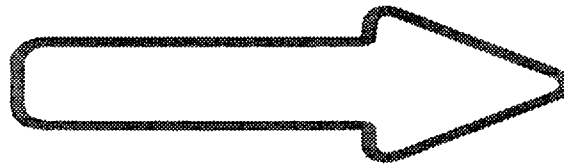
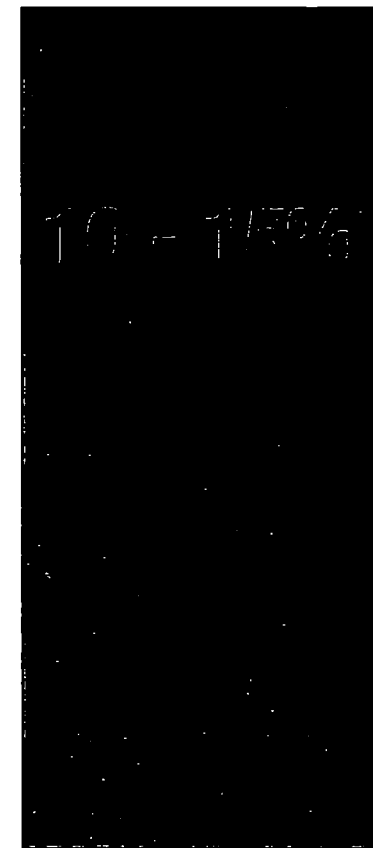


Wage Hour to Institutionalize Use of Self-Audit Technique

BEFORE



AFTER



Self-audits as a percent of all investigations.

Improvements to Performance Appraisal System for Wage & Hour Investigators

- o Fewer critical standards**
- o Elimination of "widget counting"**
- o Customer Service**
- o Teamwork**

Example of Changes Made to One Investigator Standard

1987

- o no references to customer service
- o numerical quotas utilized
- o supervisory review required for every case

PRESENT

- o customer service stressed
- o no numerical quotas
- o no review required for each case
- o continuous improvement is the goal

Work to be done

- o Eliminate/rewrite parts of the standard carried over from 1987 which compromise the new principles