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HR BRIEF

Provided by Nelson Financial Group

DOL Proposes Revisions to the Fluctuating Workweek Overtime Method

In November 2019, the U.S. Department of Labor (DOL) published a proposed rule to update the “fluctuating workweek” method for calculating employee overtime wages under the Fair Labor Standards Act (FLSA). The fluctuating workweek method provides employers a cost-saving option to compensate employees who are not exempt from the act’s overtime wage payment requirements.

Currently, the FLSA requires employers to compensate employees at a rate of one and one-half (1.5) times the regular wage rate for every hour they work over 40

during a workweek. However, FLSA regulations permit employers to compensate employees with only half (0.5) of their regular wage rate for overtime hours if certain conditions are met.

Under the proposed rule, employers could pay bonuses and shift differentials, and offer other incentive payments to employees who are paid under the fluctuating week method. The proposed changes were issued to clarify conflicting court rulings regarding this method.

Employer Takeaway

This is only a proposed rule, so it does not impose any new requirements on employers. Nelson Financial Group will keep you updated to new developments.

5 Performance Review Best Practices

Performance reviews are an annual ritual for many employers, but their usefulness has been debated for years. To make sure you—and your employees—get the most out of performance reviews, follow these five tips.

1. Perform formal evaluations at the same time for everyone each year.

While this increases the workload of managers and supervisors during review time, it forces direct comparisons of employees and establishes a nonbiased system.

2. Have regular meetings with supervisory staff.

Supervisors will learn from each other’s experiences. Provide adequate training and insist on candid observations.

3. Clearly communicate to employees what their duties are and what satisfactory performance is. Accomplish this through periodic reviews of job descriptions, training, and both formal and informal reviews.

4. Tell employees the criteria upon which their performance will be reviewed. Develop standards and establish reasonable goals for employees. Make sure that employees understand the consequences of their failure to improve.

5. Don’t wait until the annual evaluation to provide feedback; offer it throughout the year. Give both positive and negative feedback regularly or it becomes less useful.

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