Compensable Hours: When my nonexempt employees go on business trips and attend meetings, what hours do I need to pay them?

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With increased scrutiny of pay practices by the U.S. Department of Labor, employers should use caution in calculating hours worked when a nonexempt employee goes on a work-related trip. Consider:

Work time. Nonexempt employees must be paid for all hours worked, including time spent working outside the office for business trips and meetings. This includes assigned work as well as work not directly requested by the employer. Thus, if the nonexempt employee voluntarily works extra hours in the hotel without the employer’s knowledge or consent, the employee still must be paid for that time.

Breaks. Nonexempt employees must be paid for rest or meal periods lasting 20 minutes or less. Break periods that exceed 20 minutes need not be compensated. While on a business trip, unless the employee is completely relieved from duty to eat regular meals, he or she must be paid.

Overtime and paid time off. Employers must include time worked on the business trip when calculating overtime. During workweeks when a nonexempt employee has taken paid time off, overtime pay is based on actual hours worked. For example, if the employee used eight hours of paid time off and worked 40 hours on the business trip, he would be compensated for 48 hours at straight-time pay.

Waiting time. When a nonexempt employee spends time waiting while on the trip, he may be eligible for pay. If the employee is “on call” but free to handle personal tasks, it is usually not compensable time. However, if the employer requires the worker to remain in a meeting room, this will likely be compensable time.

Travel pay. For a one-day assignment, if the nonexempt employee travels to a location in another city, all travel time is considered compensable. However, the employer can deduct the employee’s normal commuting time to a regular worksite. For overnight trips, travel time is counted when it occurs during the employee’s normal workday hours, regardless of the day of the week.

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