

Does Anybody Really Know What Time It Is? Should Anybody Really Care?

By Lesley Sifers, Tax Favored Benefits, Inc.

Okay, who sang the song “Does Anybody Really Know What Time It Is?” I can’t recall, but I know that time is an ever present factor in employment relationships so the title seemed appropriate.

Questions to the HR Help Line often concern time: full-time/part-time, straight time/overtime, comp time/flextime and, the hard question, “How do I get them to get here ON time?” Let’s look at time.

Q1: “What is the definition of a part-time employee?”

A1: There is no definition under federal or (to the best of my knowledge) state law. This indicates that anything less than 40 hours weekly could be “part-time.” However, many health insurance plans set eligibility at 30 hours weekly. Retirement plans cannot deny participation to anyone who works 1,000 hours in a plan year. Workers Compensation and Unemployment Insurance apply to every employee, regardless of hours.

This leaves benefits like paid time-off, holiday pay, etc., as “discretionary” benefits you can allow or disallow based upon hours worked. If you have regular, part-time positions (notice, I did NOT say “permanent”) it could be to your advantage to grant pro rata vacation or holiday pay. If you don’t, you may spend a lot of time and money keeping part-time positions staffed. If you only use part-time help on an occasional basis, for short term assignments, be aware of benefit plan requirements and track hours appropriately.

Q2: “Some of my employees take advantage of overtime. They work late several days a week and take a half-day of vacation on Friday. This puts them over 40 hours a week. What can I do?”

A2: Overtime only applies to actual time worked. If your employees are using paid time-off (PTO) to bump hours over 40 a week, explain that PTO is at straight time. For example, Doody Calls works

eight (8) hours on Monday and Tuesday and ten (10) hours Wednesday to finish a job before his scheduled vacation days on Thursday and Friday. Actual work time for the week is 26 hours plus 16 hours vacation. He should be paid 42 hours at straight time – vacation pay does not count toward hours worked for calculating overtime. However, you should say “thank you” to Doody because he did make sure his work was done!

Q3: “Several non-exempt employees have requested ‘comp time’ rather than pay for the overtime they worked. How do we track that?”

A3: You DON’T! Compensatory time (comp time) is illegal in the private sector. Certain state and local government employers can grant “comp time” at 1-1/2

times hours worked. Even then, there must be an advance agreement negotiated with the employee or his/her representative (i.e., union). It gets way more complex after that.

In the private sector, you can only “offset” hours for overtime earned in a pay WEEK with time-off during the same pay PERIOD. This works if your pay period exceeds one week. For example, your pay periods are bi-weekly based on 80 hours. Ima Worker works 43 hours in the first week. In week two of that pay period she could only work 35.5 hours to offset the overtime from week one. As you see, time off is 1.5 times overtime hours. Ima must be paid for 80 hours but, for the pay period, actually works 78.5 hours. The additional amount is overtime pay of 1.5 hours.

Q4: What is “flextime” and how could we implement something like that?”

A4: In a genuine “flextime” program,

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Plan to Attend These Informative Workshops



Presented by
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“The Employment Lifecycle: From Hiring to Firing”
Presented by Lesley Sifers & Gordon Thorn of Tax Favored Benefits, Inc.

February 18, 2008
9:00 a.m. to 4:30 p.m.
York, Nebraska

February 20, 2008
9:00 a.m. to 4:30 p.m.
Marshalltown, Iowa

Designated Risk Manager Training Program
Presented by Dave Cameron, NAEDA’s Risk Manager Consultant

February 26, 2008
9:00 a.m. to 3:30 p.m.
Columbus, Neb.

February 27, 2008
9:00 a.m. to 3:30 p.m.
Ames, Iowa

See the registration material in this magazine or contact the
Association office at 1-800-622-0016 for additional information.

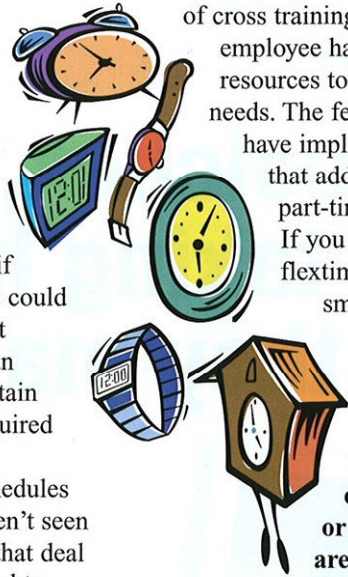


employees are allowed to work hours they choose within boundaries you establish. For example, you can require employees to work 40 hours per week between 5:00 a.m. and 7:00 p.m. for five days during your established pay week. A "pay week" is seven days so if you aren't careful, employees could be working weekends without supervision. However, you can require core hours during certain days when employees are required to be at work.

Although flexible work schedules appeal to many people, I haven't seen this work well in companies that deal with the public or are expected to respond to customers in a timely manner. (Of course, the United States Post Office appears to have adopted some form of flextime. This may also explain increased postage rates and new, confus-

ing methods for calculating postage based upon the SIZE of the envelope!!)

In my opinion, flextime requires a lot of cross training so that almost any employee has the knowledge and resources to respond to customer needs. The few companies I know that have implemented flextime admit that additional staff (mostly part-time) became a necessity. If you really want to implement flextime, be attentive to the small details.



Q5: We have a problem with a few employees coming in late. Sometimes it's only fifteen minutes or so but, when they aren't here at starting time, it causes problems.

How do we handle this?

A5: Let me guess. Employees who come to work on time or a few minutes early resent co-workers who stroll in late. Managers wonder what to do if

tardy workers don't show up at all. Tardiness and absenteeism are disciplinary matters and should be dealt with as such. Tell offending employees what you expect (a verbal warning). If the situation doesn't improve, put it in writing with consequences (a written warning). If things don't change, use suspension or move to termination. Your punctual employees will thank you for dealing with this issue.

TIME is a part of our vocabulary. You can "spend" it, "save" it, "waste" it, "take" it or "serve" it. I hope that many of you will TAKE time to attend one of the Human Resources Workshops sponsored by I-NEDA and Tax Favored Benefits, Inc. in York, Nebraska and Marshalltown, Iowa in February. I look forward to seeing you there. I promise, it will not be a WASTE of time.

May your holidays be blessed with love and laughter. To all, I wish a Happy New Year. Have questions, comments or arguments? Contact me on the HR Help Line, 800-683-3440 or e-mail lesley@taxfavoredbenefits.com. ■



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