

## 2018 April Newsletter

*One of the top Human Resource issues is how to classify and pay employees correctly. Below are three common situations that may be confusing and some general guidelines.*

**Summer Interns** - Do you have a project that has been sitting on your desk gathering dust? Consider hiring a summer intern to help finish it up.

Summer interns are typically college students looking to gain valuable work experience. For a successful experience, a summer intern should be given challenging projects where they can learn and apply their knowledge to real business situations. In most cases, interns must be paid for their work; however, if certain guidelines are met, the internship may be unpaid. One general guideline is if the internship is more for the benefit of the company and not the intern, the intern should be paid. Other guidelines can be found at: [Internship Guidelines](#)

A summer intern can be a great addition to your staff and you help a college student gain valuable experience. If you are interested in hiring a summer intern, we can help with posting the position and working with colleges to find you the best candidate.

**Contractors- When should a worker be classified as an “independent Contractor”?** - An independent contractor is effectively a self-employed independent business entity who is in position to make a profit or loss based upon how he or she manages their own independent enterprise while fulfilling the contract. The most important factors include:

- Direction and control
- Profit/Loss
- Integration of services

An individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. Below are some items that show “Contractor” status:

- Contractor has their own business cards
- Invoices from contractor to your company on the contractor’s own stationery
- Copies or printouts of contractor’s advertisements or on-line website
- Written contract that details services or the performance of a project
- E-mails, letters, and any other documentation that shows a negotiation process for contractor’s services

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**Exempt vs. Non-Exempt Employee Classifications** – What is the difference between Exempt and Non-Exempt workers? The Fair Labor Standards Act (FLSA) requires that employees classify jobs as either exempt or non-exempt.

Exempt positions are excluded from minimum wage, overtime regulations, and other rights and protections afforded to non-exempt employees. Employers must pay a salary rather than an hourly wage for a position for it to be exempt. Typically, only executive, supervisory, professional, or outside sales positions are exempt positions. Exempt employees are generally expected to devote the number of hours necessary to complete their respective tasks, regardless of whether that requires 30 hours per week or 55 hours per week. Their compensation does not change based on actual hours worked. Exempt employees are not paid extra for putting in more than 40 hours per week. ***They are paid for getting the job done.***

Non-Exempt employees must be paid at least the federal minimum wage for each hour worked and given overtime pay of not less than one-and-a-half times their hourly rate for any hours worked beyond 40 each week. Non-exempt employees' time tends to be more closely monitored as they should track arrival time, time in/out for lunch and time of departure. Time spent checking messages or working outside of normal business hours must be tracked as well.

There are a "duties" test and a "salary" test a position must pass before being classified as "Exempt" or "Non-Exempt" and detailed, accurate job descriptions are essential. Under the current FLSA, to be considered "Exempt" from overtime by the "salary" test, an individual must be compensated at a rate not less than \$455 per week or \$23,660 annually. These amounts are scheduled to increase in 2018 by the Department of Labor.

**For help with any of your human resource and benefit needs, a free one-hour consultation or information on any of the above items, please contact [info@humanresourcesolutionsllc.com](mailto:info@humanresourcesolutionsllc.com)**

***Don't forget Administrative Day is Wednesday April 25th***

Success is not a destination, it's a journey.

Zig Ziglar

*This newsletter is intended to provide general guidance about recent topics in Human Resources. It is not a legal opinion. For answers to your specific questions, please consult with counsel.*