



Compliance Checklist

California overtime calculations for home-based care providers

The checklist provides a structured approach to managing complex payroll processes to aid in compliance with labor laws, especially in a jurisdiction like California, where regulations are strict and nuanced.

Accurate timekeeping

- Implement a reliable time tracking system to accurately record hours worked by employees.
- Conduct regular audits of time records to ensure accuracy and compliance with overtime rules.

Overtime calculation

- Ensure the regular rate-of-pay includes all forms of compensation when calculating overtime.
- Verify that overtime is paid at 1.5 times the regular rate for hours over 40 in a workweek (or over 8 in a day in some states) and double time for hours over 12 in a day where applicable.

Review legal requirements

- Ensure compliance with the Fair Labor Standards Act, which requires overtime pay for non-exempt employees working over 40 hours in a workweek.
- Verify state-specific overtime laws. In California, non-exempt employees must receive overtime pay for hours worked over 8 in a day and double time for hours worked over 12 in a day.

Employee classification

- Review employee classifications to ensure that non-exempt employees are correctly identified and eligible for overtime pay.
- Conduct a job duties test to confirm that exempt employees meet the criteria for exemption under both federal and state laws.

Payroll system configuration

- Configure payroll systems to automatically calculate overtime based on the correct rates and hours worked.
- Perform manual checks periodically to ensure the system calculations are accurate.

Record keeping

- Maintain detailed records of hours worked, overtime calculations, and payments made for at least three years.
- Keep documentation of compliance efforts, such as audit results and employee classifications.