

The 5 Most Common Wage and Hour Compliance Risks You Need to Know

Risks are commonplace in every industry but for those in construction, the stakes are higher and the challenges unique.

Construction companies must remain compliant even with employees scattered across multiple jobs sites.

Here are some of the most common compliance risks for construction companies of all sizes.



1. Timekeeping Increments

Review your [time rounding procedure](#) to be sure it follows state and federal regulations. It's important to note that each state could be different. For example, [California state law says you should not round down a meal break for a non-exempt employee](#), as 30-minute meal breaks are required. So you may need to treat employees working in different states differently.



2. Overtime

Stay updated on new and ever-changing [federal or state overtime rules](#). Determining which rules to follow should be based on the amount of protection you need or the greater benefits for your employees. Unless exempt, employees covered by the Fair Labor Standards Act must receive overtime pay for hours worked over 40 in a workweek at time-and-one-half their regular rate of pay.



3. Misclassification

Know the laws pertaining to exempt and non-exempt employee classifications, which are complicated and subject to change. The [Wage and Hour Division](#) determines classifications. Employers must classify employees correctly, like not labeling an employee as an independent contractor, to remain compliant.



4. Compensable and Non-Compensable Hours

Keep up to date on [state and federal guidelines regarding which hours spent on transportation and travel are to be considered working hours](#). Travel must be within the normal commuting area of your business and be in a work vehicle.



5. Recordkeeping

Maintain accurate records that contain certain specific information like wage information, meals and rest breaks for non-exempt employees. Records must be kept for a certain number of years, depending on your state's laws.

Audits can happen and for many construction companies, they likely already have. Any violations may result in back wages and multiple costly fines. Construction companies need to stay on top of ever-changing laws so their businesses are protected from the potential impact of errors or mistakes.

ExakTime can you address potential compliance issues help with time and attendance solutions specifically designed for the construction industry. [Contact us](#) to learn how digital time tracking can streamline your processes while helping you remain compliant.