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SEX DISCRIMINATION

SCOTUS to decide sexual orientation, gender identity discrimination cases

by Jeff Slanker
Sniffen & Spellman

The U.S. Supreme Court has agreed to hear and resolve three key cases centering on a currently unsettled legal question—whether federal employment law prohibits discrimination based on sexual orientation and gender identity in addition to sex. The cases (Altitude Express Inc. v. Zarda from the U.S. 2nd Circuit Court of Appeals, Bostock v. Clayton County, Georgia from the 11th Circuit, and R.G. & G.R. Harris Funeral Homes Inc. v. Equal Employment Opportunity Commission from the 6th Circuit) all concern different permutations of this issue and represent the split in interpreting Title VII of the Civil Rights Act of 1964 and its provision prohibiting discrimination on the basis of "sex." The Supreme Court's resolution of the issue will be momentous to employers throughout the country.

Summary of the cases

Altitude Express Inc. v. Zarda concerned allegations made by Donald Zarda against his former employer. He alleged he was terminated from his position because he was gay and that this violated Title VII's prohibition against discrimination "because of sex." The 2nd Circuit held Title VII does prohibit discrimination based on sexual orientation because it is a type—or subset—of

sex discrimination, which is clearly prohibited under the statute.

In *Bostock v. Clayton County, Georgia*, Gerald Bostock claimed the employer discriminated against him after learning he was gay, falsely accusing him of misconduct so it could fire him. The 11th Circuit held that Title VII doesn't apply to cases of alleged discrimination based on sexual orientation.

R.G. & G.R. Harris Funeral Homes Inc. v. Equal Employment Opportunity Commission involved discrimination claims based on transgender status against a funeral home in Michigan. The funeral home at one point employed Aimee Stephens. When she was hired, she identified as a man. Six years later, she identified as a woman and wished to wear women's clothing to work. The funeral home owner, who identifies as a devout Christian, fired her because allowing her to wear women's clothes would violate the funeral home's dress policy, and if he permitted her to wear women's clothes, he would be "violating God's commands."

The Equal Employment Opportunity Commission (EEOC) filed suit on Stephens' behalf, and the 6th Circuit ultimately held discrimination based on an individual's status as a transgender person or based on stereotypical notions of sex violates Title VII. Sex stereotyping was held unlawful by the Supreme



AGENCY ACTION

NLRB chair claims joint-employment comment review not outsourced. Responding to concerns from congressional Democrats, National Labor Relations Board (NLRB) Chair John F. Ring says his agency is not outsourcing the review of public comments on the joint-employer standard. In March, Ring wrote a letter to Bobby Scott, chair of the House Committee on Education and Labor, and Frederica S. Wilson, chair of the House Subcommittee on Health, Employment, Labor & Pensions, saying the Board has not outsourced the substantive review of comments on its Notice of Proposed Rulemaking on what constitutes joint employment. Instead, he said the NLRB decided “to engage temporary support on a limited, short-term basis to perform the initial sorting and coding of the public comments.” He said the process ensures confidentiality protections are in place, and the Board’s professionals will perform the first substantive review of the comments.

DOL issues opinion letters on FMLA and FLSA. The U.S. Department of Labor (DOL) announced in March that it had issued three opinion letters, one on the Family and Medical Leave Act (FMLA) and two on the Fair Labor Standards Act (FLSA). FMLA2019-1-A provides an opinion on the obligation to designate FMLA-qualifying leave and the prohibition on expanding FMLA leave. FLSA2019-1 clarifies FLSA wage and record-keeping requirements for residential janitors and the “good-faith” defense. FLSA2019-2 addresses FLSA compliance related to the compensability of time spent participating in an employer-sponsored community service program.

NLRB rules nonmember objectors don’t have to pay union lobbying expenses. In a 3-1 ruling, the NLRB recently held that nonmember objectors can’t be compelled to pay for union lobbying expenses. The Board ruled that lobbying activity, although sometimes relating to terms of employment or incidentally affecting collective bargaining, isn’t part of the union’s representational function, and therefore, lobbying expenses aren’t chargeable to *Beck* objectors. The case, *United Nurses & Allied Professionals (Kent Hospital)*, upholds certain rights of nonmember objectors under the U.S. Supreme Court’s decision in *Communications Workers of America v. Beck*. In that decision, the Supreme Court held that private-sector nonmember employees subject to union security who object to the expenditure of their agency fees for activities other than collective bargaining, contract administration, or grievance adjustment can be compelled to pay only the portion of the agency fee necessary to the union’s performance of “the duties of an exclusive representative of employees in dealing with the employer on labor-management issues.” ❖

Court in *PriceWaterhouse Coopers v. Hopkins*, which established the point of law that discrimination against individuals because they don’t subscribe to traditional gender roles is a type of sex discrimination.

State of the law

The three cases represent a significant divergence in the state of the law today with respect to transgender and sexual orientation discrimination. One line of thought holds that sexual orientation and gender identity are covered under Title VII because discrimination on these grounds is inherently discrimination against someone who doesn’t subscribe to traditional gender roles, or even that being transgender or gay is *per se* (by itself) protected under the statute. The 11th Circuit subscribed to a narrower view in *Bostock*, holding that sexual orientation discrimination isn’t sex discrimination under Title VII. The EEOC and the U.S. Department of Justice have taken opposite views from each other on the issue.

The split of authority is of particular interest to employers in Florida because the state antidiscrimination statute—the Florida Civil Rights Act—doesn’t expressly prohibit discrimination based on sexual orientation or gender identity. Although some local governmental entities prohibit discrimination based on sexual orientation or gender identity, many Florida employers aren’t prohibited from doing so by any applicable law.

Employer takeaway

The Supreme Court’s decision to hear the three cases is certainly momentous. The ruling will have wide-reaching effects on employment decisions across the state. Any decision extending protections to LGBTQ individuals also will likely apply to other types or facets of discrimination, such as harassment claims. You should monitor the decision and use best practices in taking employment actions against employees. Soon enough though, you will have resolution to this complicated issue.

Jeffrey Slanker is a shareholder of Sniffen and Spellman, P.A., in Tallahassee. He can be reached at 850-205-1996, or you can find the firm online at sniffenlaw.com and on Twitter @sniffenlaw. ❖

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ASK ANDY

How to implement drug-free workplace program in Florida

by Andy Rodman

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.

Q *My company wants to implement a drug-free workplace program, but the requirements seem very burdensome. Is there any easy way to implement this kind of policy?*

A Easy, no. Manageable, yes.

Many employers choose to implement a drug-free workplace program to take advantage of an available workers' compensation premium discount. Others simply see value in maintaining a drug-free workplace.

If you wish to take advantage of the premium discount, Florida law dictates the parameters under which a drug-free workplace program must be implemented and maintained. The statutory parameters cannot be ignored. The primary requirements are as follows:

60-day notice requirement. When implementing a drug-free workplace policy, you must give 60 days' advanced, written notice to all employees. The notice must identify the types of testing to be implemented (e.g., job applicant, reasonable suspicion, random) and the actions you may take against an employee or applicant who tests positive (e.g., no-hire, suspension, termination). It must also include a statement regarding confidentiality, a list of the drugs for which you will test (including how marijuana use will be treated), the consequences of refusing to submit to a test, and a description of contest/appeal rights.

Types of testing. If you are maintaining a drug-free workplace policy, you must conduct job applicant testing (and may use a positive confirmed result as a basis for refusing to hire the applicant), reasonable suspicion testing (a belief drawn from specific, objective, and articulable facts and reasonable inferences, including involvement in a workplace accident), fitness-for-duty testing, and follow-up testing for certain employees who entered a rehabilitation program. You also may implement random testing at your discretion.

Testing procedures. Testing samples must be collected, stored, and transported in a manner designed to prevent contamination or adulteration. All testing must be done by a licensed laboratory. Any specimen that produces a positive, confirmed result must be preserved by the laboratory for at least 210 days (or longer if a result is contested). An employee or applicant has

the right to have the specimen retested, at the employee's or applicant's cost, at another licensed laboratory.

Written notice of positive results. You must notify the employee or applicant of the positive confirmed test result within five working days after receiving it. Upon request, you must provide a copy of the test results. Then, within five working days after receiving notice of the result, the employee or applicant may submit information to you contesting it and explaining why it doesn't violate your policy. If you find the explanation unsatisfactory, you must provide a written explanation to the employee or applicant along with a copy of the test results.

No-hire/termination decision. You may not take any adverse personnel action based solely on a positive test result that hasn't been verified by a "confirmation test," and you may not take action until after you comply with the written notice requirements explained above. An employer that discharges or disciplines an employee, or refuses to hire a job applicant, is considered to have discharged, disciplined, or refused to hire for cause.

Many employers have found implementing a drug-free workplace program an effective way to reduce workplace accidents and injuries (and thereby reduce workers' comp claims). Other employers have expressed concern that drug testing may reduce the pool of qualified applicants, particularly given various state laws allowing medical (or in some states recreational) marijuana use.

The ins and outs of drug testing, and specifically the procedural requirements, can be somewhat confusing. So, if you want to implement a drug-free workplace program, or if you're not sure if your current policy complies with the statutory framework, be sure to consult with your employment counsel.

Andy Rodman is a shareholder and director at the Miami office of Stearns Weaver Miller. If you have a question or issue that you would like Andy to address, e-mail arodman@stearnsweaver.com or call Andy at 305-789-



3255. Your identity will not be disclosed in any response. This column isn't intended to provide legal advice. Answers to personnel-related inquiries are highly fact-dependent and often vary state by state, so you should consult with employment law counsel before making personnel decisions. ♣

WORKERS' COMPENSATION

Fall while working at home not covered by workers' compensation

by Tom Harper

The Law and Mediation Offices of G. Thomas Harper, LLC

In a strange, ironic twist, a fall at home by a workers' compensation claims adjuster has resulted in a major change in the compensability of on-the-job accidents in Florida. Here is what happened.

Facts

Tammitha Valcourt-Williams was a workers' comp claims adjuster with Sedgwick CMS—one of Florida's largest administrators of workers' comp insurance to employers—at its Lake Mary, Florida, office. When she moved to Arizona, Sedgwick permitted her to continue working remotely from home. She set up an office in an upstairs bedroom, and the company provided her with a computer. They signed a "Telecommuting/Remote Work Agreement" for her to continue working for Sedgwick from her new home in Arizona from 4:00 a.m.-12:30 p.m. (MST). She started work at 4 a.m. in Arizona so she worked the same hours as employees in Lake Mary, who started work at 7 a.m. (EST).

While working from her home office in April 2016, Valcourt-Williams took a mid-morning coffee break, just like employees in Lake Mary. She went downstairs to her kitchen to fix an instant cappuccino. While reaching to make her cappuccino, she tripped over her 22-pound shih tzu dog and injured her knee, hip, and shoulder.

Many Floridians would immediately know that tripping over your own dog while at home is not a covered workers' comp injury. But remember that Valcourt-Williams is a workers' comp claims adjuster! She filed a claim. While her claim was pending, she called a workers' comp lawyer she knew in Florida who used to handle cases for Sedgwick and asked him if her injury was covered. The lawyer said he thought her injury was covered. Sedgwick *denied* her claim, believing her injuries did not arise out of her employment.

Florida compensation claims judge James Condry heard Valcourt-Williams' case and found that her injury was compensable. He applied existing Florida workers' comp decisions and concluded the work-from-home arrangement meant Sedgwick "imported the work environment into [her] home and [her] home into the work environment." Sedgwick appealed the decision to the 1st District Court of Appeals (DCA) in Tallahassee, which hears all workers' comp appeals in Florida.

Court's decision

In an *en banc* ruling (heard by all judges on the court) issued on April 5, 2019, the DCA reversed Judge Conley and changed the way compensability cases are analyzed under Florida law. It began its analysis by noting that Florida employers must provide workers' benefits when employees sustain injuries from accidents "arising out of work performed in the course and the scope of employment"—in other words, in the period of employment, at a place where the employee would reasonably be while fulfilling her work duties.

The court saw the issue as whether the injury was "arising out of" Valcourt-Williams' employment. The majority opinion broke the facts down into two separate elements to decide compensability:

- (1) Was the injury "in the course" of her work?
- (2) Was it "arising out of" her employment?

Both sides agreed her injury occurred within the course and scope of her employment—it was during work hours, her home was where she would "reasonably be," and her coffee break was a permissible "comfort break" under Sedgwick's policies. To the court, the issue was whether her injury arose out of her employment.

As stated by the full court, the "arising out of" limitation "requires that the risks that caused [Valcourt-Williams'] accident and injuries be work-related. An accident is thus compensable only if 'the employment necessarily [exposed her] to conditions that would substantially contribute to the risk of injury and to which [she] would not normally be exposed during [her] nonemployment life.'"

The work risk was that Valcourt-Williams might trip over her dog while reaching for a coffee cup in her kitchen. To the court, that risk existed whether she was at home working or whether she was at home *not* working. The risk she would be injured in this way existed before she began working from home for Sedgwick, and it will exist after she leaves her job with the firm. To decide her injury was covered, the court explained, is to say that an employee's tripping over her own dog at home on a Friday is attributable to the risks of employment, while the same employee's tripping over the same dog at the same home on a Saturday is not!

Thus, the court concluded the risk of injury in this way did not *arise out of the employment*, and it reversed Judge Condry and found Valcourt-Williams' injury was not compensable. The court reasoned:

Regardless of the type of injury, compensability always turns on whether the employment led to the risk—whether there was "occupational causation." Whether the accident is a fall—or anything else—[she] cannot prevail unless there was occupational causation, a risk not existent in [her] "non-employment life."

Sedgwick CMS and The Hartford/Sedgwick CMS v. Tammitha Valcourt-Williams, Case No. 1D17-96 (Fla. 1st DCA, April 5, 2019).

Takeaway

In the past, a number of workers' comp decisions failed to break the analysis into two different prongs—"within the scope of employment" and "arising out of employment." But this decision doesn't mean workers' comp injuries cannot happen in "work-at-home" environments. Indeed, injuries at home can have occupational causation just like injuries in the traditional workplace. If the injury had been from a risk Valcourt-Williams' employment introduced—a repetitive stress injury from typing all day, for example—Sedgwick could not have avoided liability by saying she was hurt in her own home.

You can reach Tom Harper at tom@employmentlawflorida.com. ♣

WAGE AND HOUR LAW

DOL proposes to increase exempt employees' salary threshold

by Lyndel Erwin

Lehr Middlebrooks Vreeland & Thompson, P.C.

On March 22, 2019, the U.S. Department of Labor (DOL) published in the Federal Register its proposed changes to the regulations governing the management and professional—i.e., "white-collar"—exemption from overtime. The public will have 60 days (until May 21, 2019) to submit comments and make suggestions about any changes they believe the DOL should consider. After the end of the comment period, the DOL's Wage and Hour Division (WHD) will review the comments and make any changes it believes are warranted. The final rule will then be published with an effective date sometime after that. Some comments have suggested that the DOL expects the revisions to take effect at the beginning of 2020.

What DOL has proposed

Here's a list of the major areas in which the DOL has proposed changes to the white-collar exemption:

- (1) The minimum salary level for the exemption will increase from \$455 per week to \$679 per week (the equivalent of \$35,308 annually). That's approximately midway between the current requirement of \$455 per week and the approximately \$900 per week proposed by the Obama administration in the 2016 regulations.
- (2) The minimum salary level for "highly compensated employees" will increase from \$100,000 to \$147,414 per year.
- (3) The DOL proposes to review the salary level requirements on a periodic basis. Although it isn't specifically stated in the proposal, the agency has suggested that it expects to review the salary level every four years through the formal rulemaking process. That differs from the 2016 proposal, which tied the salary threshold for exempt employees to the Consumer Price Index (CPI) and stated that it would be adjusted annually.



WORKPLACE TRENDS

NFIB speaks out against predictive scheduling laws. The National Federation of Independent Business (NFIB) issued a statement in March in opposition to state and local laws requiring employers to provide hourly workers their work schedules weeks in advance. The organization said such laws aren't always possible or realistic for small businesses. "It severely limits owners' control over their scheduling decisions and urgent business needs," the statement said. The organization pointed to laws in Oregon, Seattle, and San Francisco and said the unpredictability of staff needs in certain industries like construction and hospitality raises concerns. "The laws not only prevent employers from adjusting to market changes, bad weather, or other demands outside their control, but they also prevent employees from picking up additional work hours at a moment's notice or requesting unanticipated time off," the statement said.

Report calls gender parity in company leadership a significant issue. A study released in March by Korn Ferry and The Conference Board shows that while there has been some progress in advancing women in business, there is still significant work to be done to move toward gender parity. Researchers surveyed nearly 300 HR executives as part of the study, titled "Effective Leadership Development Strategies at Pivotal Points for Women: Chief Human Resources Officers and Senior HR Leaders Speak." While 62% of respondents believe representation of women in leadership positions has improved during the last five years, 66% believe there still is an inadequate representation of women in leadership positions in their organization today.

Most employers willing to train applicants lacking skill requirements. Research from staffing firm Robert Half revealed that 84% of HR managers reported their company is open to hiring applicants who lack some required skills but can develop the needed skills through training. HR managers in the survey said on average, 42% of the résumés they receive are from candidates who don't meet the job requirements. Among the 28 cities in the survey, Charlotte, North Carolina (74%), San Diego, California (72%), Austin, Texas (71%), and Washington, D.C. (71%), have the most professionals who have landed a position without meeting the requirements. "When it's challenging to find candidates who check off all the boxes, companies may need to reevaluate their job requirements to hire the right talent," said Paul McDonald, senior executive director for Robert Half. "Workers can be trained on duties for a role, but individuals with the right soft skills and fit with the corporate culture are often harder to come by." ♣



UNION ACTIVITY

AFL-CIO calls proposed overtime rule a setback for working people. AFL-CIO President Richard Trumka spoke out in March against the Trump administration's proposed rule to set a new salary threshold for employees eligible for overtime pay. The administration's proposed rule would require that employees make at least \$35,308 a year to be exempt from overtime eligibility under the Fair Labor Standards Act (FLSA). Exempt workers also must perform work that is executive, administrative, or professional in nature. The Obama administration had proposed a rule setting the threshold at \$47,476 a year, but the proposal was struck down by a federal judge. "Lowering the threshold ignores the economic hardships faced by millions of working families," Trumka said. "This disappointing announcement is part of a growing list of policies from the Trump administration aimed at undermining the economic stability of America's working people."

Union secures agreement on targeted Facebook ads. The Communications Workers of America (CWA) announced in March an agreement in which Facebook will make changes to its paid advertising platform to prevent discrimination in employment, housing, and credit advertising. The CWA joined with three workers to challenge Facebook's paid ad platform for enabling advertisers to exclude older Facebook users from receiving job ads. "Our campaign seeks justice for workers who have been unfairly locked out of opportunities by employers who deny their ads to older workers or women," said CWA Secretary-Treasurer Sara Stefens. "All workers deserve a fair chance to get a good job."

UAW announces strike fund increase. Gary Jones, president of the United Auto Workers (UAW), in March announced the union's leadership has raised the weekly strike fund pay from \$200 to \$250. It will increase to \$275 per week in January 2020. The UAW Strike and Defense Fund totaled out at more than \$721 million in 2018. Delegates voted at the UAW's Constitutional Convention to keep a 2011 dues increase that funds the Strike and Defense Fund until it reaches \$850 million—at which point the fund will trigger dues to go back down to pre-2011 levels. If the Strike and Defense Fund ever dips below \$650 million, the dues increase will kick back in.

Farm Workers hail law preserving pesticide rules. The United Farm Workers (UFW) applauded the passage in March of the Pesticide Registration Improvement Extension Act of 2018 (PRIA). "Placing into the law standards protecting agricultural workers and pesticide applicators will end decades of exclusion of farm workers from basic protections that have safeguarded other U.S. workers," Teresa Romero, UFW president, said. ♣

- (4) The proposal also would allow employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid annually or more frequently to satisfy up to 10 percent of the minimum salary level for exempt employees. Thus, the proposal would allow you to pay an exempt employee a weekly salary of \$611 and use the employee's commissions or nondiscretionary (guaranteed) bonuses to meet the minimum salary requirement. If you choose to pay less than the full \$679 per week, you could determine the shortfall and make the catchup payment at the end of each year.
- (5) Special salary levels that differ from the \$679 per week have been proposed for the motion picture industry and for U.S. territories.

There is no change in the exemptions for blue-collar workers such as police officers, firefighters, paramedics, nurses, and laborers. Also, there is no change for nonmanagement employees in maintenance, construction, and similar occupations. Finally, there are no proposed changes to the "job duties" tests for any of the exemptions.

Make your opinion about the proposal known

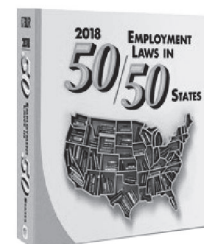
In the 200 pages of information included with the proposed changes, the DOL stated it had already received 200,000 comments. If you would like to review the methodology that was used to determine the proposed salary level, you can find the information on the WHD's website.

Because the DOL has invited the public to comment for the next 60 days, we anticipate that it will receive many more comments before then. During the development of the 2016 revisions to the white-collar exemption (which were ultimately rejected by a federal court), the agency received at least 250,000 comments. The DOL has stated it will consider all timely comments in developing the final rule.

The agency encourages any interested members of the public to submit comments about the proposed rule electronically at www.regulations.gov. Comments must be submitted by 11:59 p.m. on May 21 in order to be considered.

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Bottom line

Although the regulations are not yet final, we don't anticipate any significant changes after the rulemaking process wraps up. We recommend you begin to analyze your pay structure for exempt employees to determine if you will need to make any changes to comply with the new regulations. ♣

MINIMUM WAGE

Better ingredients, better pay? Courts eye Papa John's reimbursement policy

by Rick Warren, Patrick Ryan,
and Destiny Washington
FordHarrison, LLP

Restaurant industry employers have seen a spike in litigation over reimbursement policies for delivery drivers. Florida employers that rely on delivery drivers should be paying close attention.

Drivers argue wages fell below state minimum wage

On February 12, 2019, three former Papa John's delivery drivers filed a putative class action lawsuit in the U.S. District Court for the Western District of Kentucky, alleging the company failed to adequately reimburse them for "vehicular wear and tear, gas and other driving-related expenses." They claim the company's reimbursement policy—which pays a flat fee per delivery rather than the IRS mileage reimbursement rate—resulted in drivers earning less than the minimum wage mandated under Kentucky, Colorado, and Missouri law.

Coincidentally, two drivers in the Kentucky case are also class members in a New York federal class and collective action against Papa John's, which alleges, among other claims, similar violations of the Fair Labor Standards Act (FLSA) and New York, Pennsylvania, New Jersey, and Delaware law. That case is currently pending.

In the Kentucky case, the drivers allege Papa John's required them to "maintain and provide a safe,

functioning, insured, and legally-operable automobile to make deliveries," and each made 3.5 deliveries per hour at an average trip length of six miles. In exchange, the company compensated them on an hourly basis, plus approximately \$1.00 to \$1.50 per delivery ostensibly to offset their vehicle costs.

Using the IRS's lowest standard mileage reimbursement rate in effect during the relevant time period (roughly 2014 to 2017) as an appropriate measurement for the "minimum deductible cost for operating an automobile for business purposes," and taking into account the mileage and average deliveries per hour, the drivers argue their net wages fell below each state's minimum wage. They further allege each statewide class will contain at least 1,000 class members—with damages exceeding \$5 million. *Hubbard et al. v. Papa John's International, Inc.*

FLSA minimum wage rules may kick in, too

Although no FLSA claims have been asserted in the Kentucky case, under the Act's "Kickback Rule," an employer must pay minimum and overtime wages to nonexempt employees "unconditionally" and "free and clear" of reductions. For example, an employer's requirement that employees provide "tools of the trade" necessary to perform their work (for the company's benefit) will violate the Act if the expense reduces a worker's pay below the minimum wage, which, in Florida, is \$8.46 an hour. "Tools of the trade" likely encompass a functional vehicle to enable a driver to deliver food. Therefore, FLSA minimum wage considerations often come into play for restaurant employers that employ delivery drivers and require them to use their own vehicles to make drop-offs.

Moreover, the FLSA doesn't explicitly require employers to reimburse expenses incurred in the performance of an employee's job (if the person still earns above the minimum wage). However, several jurisdictions, such as California, Illinois, and the District of Columbia, require reimbursement of those kinds of expenses over and above wages.

Regardless of state law, under the FLSA, if a vehicle is required to perform a job, employee-paid vehicle expenses that reduce a nonexempt worker's wage

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below the legally required minimum must be reimbursed in an amount that will yield, at least, the minimum wage. When you're reimbursing vehicle expenses for a delivery job, it isn't necessary that the IRS rate be used—you may use another rate.

Bottom line

Private employers in Florida should evaluate whether to require nonexempt delivery drivers to use their own vehicles. If they are required to do so, you should set their pay rates at an amount that ensures their wages won't fall below the minimum wage when vehicle expenses are taken into account. In establishing the rate, you should evaluate:

- The minimum wage;
- Past company, industry, and/or regional delivery data; and
- Information about the reasonable and generally accepted costs of vehicle maintenance.

In light of the evolving case law, you should consider the effect of potential deductions and/or required equipment on your nonexempt workforce. ♣



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