



MCKAGUE | ROSASCO LLP

Paycheck Compliance: Calculating Piece Rate & Overtime

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Legal Disclaimer



Minimum Wage Rates and Overtime Thresholds

Minimum Wage Rate For Employers with 26 or More Employees		
Year	Rate	Overtime Thresholds
1/1/23	\$15.50	After 8.0 hours or 40 hours

Minimum Wage Rate For Employers with 25 or Fewer Employees		
Year	Rate	Overtime Thresholds
1/1/20	\$12.00	After 10 hours and 7th consecutive workday
1/1/21	\$13.00	After 10 hours and 7th consecutive workday
1/1/22	\$14.00	After 9.5 hours or 55 hours
1/1/23	\$15.50	After 9.0 hours or 50 hours
1/1/24	TBD	After 8.5 hours or 45 hours
1/1/25	TBD	After 8.0 hours or 40 hours



Overtime – Most Wage Orders

Employees are entitled to one and one-half times their regular rate of pay for hours worked beyond eight in a day.

Employees are entitled to one and one-half times their regular rate of pay for all hours worked beyond 40 in a single workweek.

Twice the regular rate of pay must be paid for all hours worked in excess of twelve hours in a day.

One and one-half times the regular rate of pay must be paid for the first eight hours of the seventh consecutive day of work in a single workweek.

Twice the regular rate must be paid for all hours beyond eight on that **seventh day**.

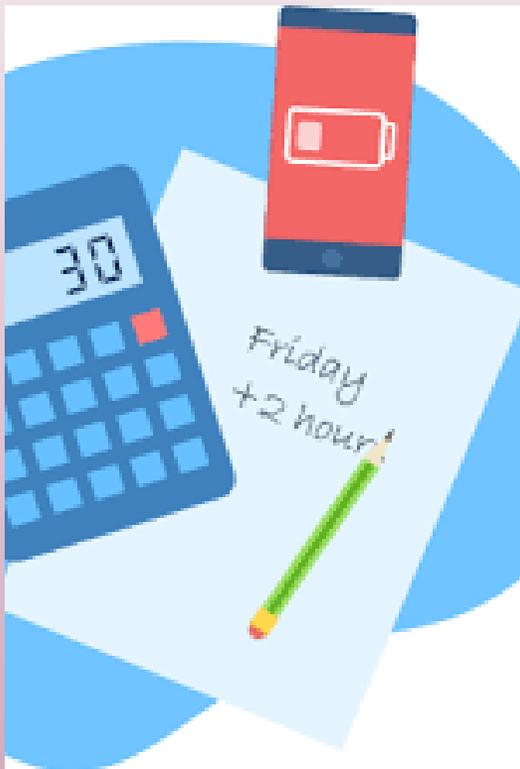


New overtime/double time rules for wo 14

- Overtime after 8 hours in day and first 8 hours on the 7th day of work
- Overtime after 40 hours in a workweek
- Double time after 12 hours in a day and after 8 hours on the 7th day of work



HOW TO CALCULATE OVERTIME



Two or more rates in a workweek
= Weighted Average

Employee's total includable earnings are computed to include his or her compensation during the workweek from all applicable rates, and then divided by the total number of hours worked at all jobs.

Not Included in Regular Rate of Pay

Discretionary bonuses

Profit-sharing plans (as long as the contributions are to a bona fide plan without regard to hours worked, production levels, or efficiency)

ERISA plan payments (i.e., health benefit plans, many retirement plans, and similar benefits)



Gifts (i.e., for holidays or birthdays, as a reward for service, but only those where the timing and amount are not based on any objective factors and are left entirely to the employer’s discretion)



Hours paid but not worked (i.e., vacation, holidays, sick leave, reporting time pay or split shift premiums)



Expense reimbursement



Overtime premium pay

Example



Employee is compensated at \$10.00 per hour to perform Job A and \$15.00 per hour to perform Job B. During a given workweek, Employee works 40 hours at Job A and 10 hours at Job B.

Employee's regular rate for that workweek would be \$11.00 per hour, which equals the total non-overtime pay due for both jobs (\$550.00) divided by the total number of hours worked during the week (50). Employee would be entitled to additional compensation of \$55.00 for that workweek, which equals $\frac{1}{2}$ times the regular rate of pay (\$5.50) times the number of hours worked in excess of 40 (10 hours).

Calculation of Flat Sum Bonuses and Overtime



Alvarado v. Dart Container Corporation of California – Cal. Sup. Ct. (2018)

- When calculating overtime in pay periods in which an employee earns a flat sum bonus, employers must divide the total compensation earned in a pay period by only the non-overtime hours worked by an employee.
- In order to encourage attendance on unpopular work days, Dart paid employees an “attendance bonus” of \$15 per day for employees who worked on a Saturday or Sunday and completed their full work shift.
- Guided by two longstanding principles:
 - There is a state policy favoring an eight-hour work day and six-day 40-hour workweek; and
 - The state’s labor laws are to be liberally construed in favor of worker protection.

How to Calculate Flat Sum Bonuses

DLSE Manual states:

“If the bonus is a flat sum, such as \$300 for continuing to the end of the season, or \$5.00 for each day worked, the regular bonus rate is determined by dividing the bonus by the maximum legal regular hours worked during the period to which the bonus applies.”

Relying on Labor Code section 510, the Court stated that a flat sum bonus must be treated “as if it were earned on a per-hour basis throughout the relevant pay period.”

Applies retroactively (OUCH!)



Production Bonus v. Flat Sum Bonus



Bonuses

Nondiscretionary vs. Discretionary

- Nondiscretionary
 - You do X = You get Y
 - Promised
 - Encourages work, attendance, continued employment
 - Example – end of season bonus, show up on a weekend or holiday, attend work all week, etc.
- When an employer ties a bonus to the occurrence of a particular condition, the bonus will most often be treated as wages, and must be paid if the condition occurs. Further, the bonus must be counted when calculating the regular rate of pay for overtime purposes.

- Discretionary bonuses
 - For a bonus to be “discretionary,” the employer must retain discretion over whether to give a bonus, when to give a bonus, and what amount the bonus will be.
 - Example = Christmas bonus



7th Day Overtime



- LC 551 provides that “every person employed in any occupation of labor is entitled to one day’s rest therefrom in seven.”
- LC 552 prohibits employers from “**causing** their employees to work more than six days in seven.”
- Employers do not need to provide this day of rest for employees who work 30 hours or less per week, or who do not work more than six hours in “any” day of the week.
- Employers may also avoid providing one day off in seven where the nature of the job reasonably requires an employee to work seven or more consecutive days, and the employee receives the equivalent to one day off in seven each calendar month.
 - Example, harvest season.

Mendoza v. Nordstrom – Cal. Sup. Ct.

- A day of rest is calculated based on a single workweek and not a rolling 7 day period
 - Handbook should define your workweek
- The “less than 30 hours per week, or 6 hours in any one day” exemption, only applies if the employee works no more than 30 hours in the entire workweek, and no more than 6 hours on any day of the workweek.
- An employer “causes” an employee to go without a day’s rest in 7 when it “induces the employee to forego rest to which he or she is entitled.”
- “An employer is not, however, forbidden from allowing or permitting an employee, fully apprised of the entitlement to rest, independently to choose not to take a day of rest.”
- “An employer cannot affirmatively seek to motivate an employee’s forsaking rest, but neither need it to act to prevent such forsaking.”

What to do now?

- Have employees volunteer to work on the 7th Day and sign a waiver for each workweek explaining their right to a day of rest.
- Avoid blanket waivers.



Hours Worked



If an employee is “suffered and permitted” to work even though not instructed or requested to do so, it is compensable time or hours worked.



If the employer knows or has reason to know the time is compensable.



Enforce with discipline, not lack of payment.

Piece Rate Pay

Labor Code 226.2 defines how to compensate piece-rate workers for mandated **rest and recovery (R&R)** periods and other **non-productive time (NPT)** that does not generate piece-rate earnings.



Rest and Recovery Periods

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Labor Code section 226.2, sub.(a), paragraphs (1) and (3):

- Employees must be compensated for rest and recovery periods *separate from any piece-rate compensation*, and
- The rate of compensation for rest and recovery periods shall be *the higher of*:
 - ✓ An average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods.
 - ✓ The applicable minimum wage.



Can't I just pay hourly plus piece rate to cover rest and recovery periods?

No.

This only helps with non-productive time.



This encourages employees to take their authorized rest breaks, without feeling that doing so will decrease their compensation.

Do I need to track rest breaks now?

No, but....

Section 226.2, subdivision (a)(2) requires that an employee's itemized wage statement state "[t]he total hours of *compensable* rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period."

What was authorized and permitted?

- If an employer has authorized and permitted two 10-minute rest periods during an employee's work shift, the "compensable" rest and recovery periods are those that have been authorized and permitted according to existing law.
- That is the amount of time for which an employee must be compensated (i.e., the "compensable" period), and which must be itemized on the wage statement, regardless of whether the employee actually took only 8 minutes on one rest period (less than the amount of time that was "compensable"), or took 13 minutes on another rest period (more than the amount of time that was "compensable.")



How To Track Non-Productive Time

“Other non-productive time” Defined:

Time under the employer’s control, exclusive of rest and recovery periods, that is not directly related to the activity being compensated on a piece-rate basis.

How is it paid?

- Employees must receive at least minimum wage for this time.

- Actual records

Or

- Reasonable good faith estimates.



Piece Rate Pay – Common Errors

Pure piece rate needs to have rest and recovery paid for the entire week and nonproductive time paid for each piece rate workday.

Hourly plus piece rate needs to pay rest and recovery for the entire workweek.

Paycheck stubs need to have nonproductive time and rest and recovery pay clearly and separately laid out with the hourly rates and amount of time.

If math is required to figure out how the employee was paid then the paycheck is subject to a lawsuit.

Don't get creative with labels to get around paying piece rate rest and recovery and nonproductive time.

If I don't understand the paycheck, neither will the worker.



Piece-Rate or “Piece Work”

The American Heritage Dictionary defines the term piece-rate as: “Work paid for according to the number of units turned out.”

Consequently, a piece-rate must be based upon an ascertainable figure paid for completing a particular task or making a particular piece of goods.

Q. How does an employer determine the average hourly rate to be paid for rest and recovery periods?



A. The formula for determining the average hourly rate to be paid for rest and recovery periods is set forth in the statute, as follows:



Divide the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods.”



(Labor Code §226.2(a)(3)(i).)

For a workweek of piece-rate compensation only:

A piece-rate employee works a 5-day, 40-hour workweek.

The employee has two 10-minute rest periods authorized and permitted per day, for a total of 100 minutes (1.67 hours) of rest periods for the workweek.

The employee earns \$500 in piece-rate compensation for the workweek.

The average hourly rate to be paid for the rest periods for this employee is calculated as follows:

	\$500	Total compensation not including compensation for the rest periods
÷	38.33	Total hours less rest periods
=	\$13.04/hr x 1.67 hrs	Rest periods for the workweek
=	\$21.78	Compensation for rest periods for the workweek

Total compensation for the workweek:

	\$500	Piece-rate compensation
+	\$21.78	Compensation for rest periods
=	\$521.78	

For a workweek of piece-rate compensation and a base rate of minimum wage for all hours worked (HOURLY PLUS PIECE):

- An employee works a 5-day, 40-hour workweek.
- The employee has two 10-minute rest periods authorized and permitted per day, for a total of 100 minutes (1.67 hours) of rest periods for the workweek.
- The employee is paid minimum wage (\$10/hour) for all hours worked, including the two 10-minute rest periods, for a total of \$400.
- The employee also earns a total of \$300 in piece-rate compensation for the workweek.

The average hourly rate to be paid for the rest periods for this employee is calculated as follows:

	\$683.30	Total compensation for the workweek, not including compensation for rest and recovery periods, which is the \$300 in piece-rate compensation, plus the minimum wage paid for all hours worked except the 1.67 hours of rest period time
÷	38.33	Total hours less rest periods
=	\$17.83/hour	Note: \$10/hour of this time is already calculated into and paid in the employee's minimum wage of \$10/hour for all hours worked, including the rest period time. Therefore, the additional amount owed for rest periods under this example is \$7.83/hour.
Total compensation for the workweek:		
	\$400	Minimum wages for all hours worked, including the rest period time
+	\$300	Piece-rate compensation
+	\$7.83 x 1.67 hours = \$13.08	Additional amount over minimum wage required to pay correct average hourly rate for rest periods
=	\$713.08	

For a workweek with both piece-rate work and hourly work (Mixed workweek):

- An employee works a 5-day, 40-hour workweek.
- On two 8-hour days of this workweek (for a total of 16 hours), the employee works at an hourly rate of \$10/hour, and does no piece-rate work.
- On the other three days of the week (for a total of 24 hours), the employee does piece-rate work only and earns a total of \$300 in piece-rate compensation.
- On each day of the workweek, the employee has two 10-minute rest periods authorized and permitted, for a total of 100 minutes (1.67 hours) of rest periods for the workweek.
- On the two hourly-work days, these rest periods are compensated at the \$10 hourly wage.

The average hourly rate to be paid for the rest periods for this employee is calculated as follows:		
	\$453.30	Total compensation for the workweek, not including compensation for rest and recovery periods, which is the \$300 in piece-rate compensation, plus the \$160 for hourly work, less \$6.70, which is the compensation for the 40 minutes of rest and recovery periods on the two hourly-rate days.
÷	38.33	Total hours, which is 40 hours less the 1.67 hours of rest period time
=	\$11.83/hour	Note: For the days on which the employee worked at an hourly rate, \$10/hour of this time is already been paid as part of the hourly rate. For those two days, the employee is owed only an additional \$1.83/hour for the rest periods. For the days on which the employee did piece-rate work, the rate to be paid for the rest periods is \$11.83.
Total compensation for the workweek:		
	\$160	For the hourly rate worked on two days
+	\$300	Piece-rate compensation
+	\$1.83 x .67 hours = \$1.23	The additional amount owed for the rest periods on the hourly rate days to bring them to the average hourly rate for the workweek.
+	\$11.83 x 1.0 hour	For the rest periods on the piece-rate days
=	\$473.06	

The average hourly rate to be paid for the rest periods for this employee is calculated as follows:

	\$800	Total compensation for the workweek, not including compensation for the rest and recovery periods or premium pay for overtime.
÷	45 hours	Total hours, not including the rest and recovery periods.
=	\$17.78/hour x 2.0 hours = \$35.56	Compensation for rest and recovery periods for this workweek.

The overtime premium compensation for this employee is:

	\$800	Piece-rate compensation
+	\$35.56	Compensation for rest and recovery periods
=	\$835.56	
÷	47 hours	
=	17.78/hour	Regular rate of pay
x	.5	
=	\$8.89	Premium pay due for overtime hours
x	7 hours	Overtime hours
=	\$62.23	

Total compensation for the workweek:

	\$800	Piece-rate compensation
+	\$35.56	Compensation for rest and recovery periods
+	\$62.23	Premium pay for overtime hours
=	\$897.79	

For a workweek of piece-rate compensation and overtime hours:

- An employee works a 6-day, 47-hour workweek, for which 7 hours constitute overtime.
- The employee has two 10-minute rest periods authorized and permitted per day, for a total of 120 minutes (2.0 hours) of rest periods for the workweek.
- The employee earns a total of \$800 in piece-rate compensation for the workweek.

Q. Why are there different rules for employers who pay on a semi-monthly basis?



A. Actually, the compensation requirements for rest and recovery periods are the same for all employers, including those that pay on a semi-monthly basis. For employers who pay on a semi-monthly basis, however, there is a provision that allows the employer to pay for rest and recovery periods at a rate of at least the minimum wage for the pay period in which the rest and recovery periods occurred, and then to “true up” the compensation owed (to pay “the additional compensation required”) applying the average hourly rate formula that is required and explained above, in the following pay period. This is because when a semi-monthly pay period ends in the middle of a workweek, it may not be possible to determine the “average hourly rate” for that workweek at the time the paycheck is issued for that payroll period.

This is consistent with existing rules in Labor Code section 204 that apply to employers who pay wages on a semi-monthly basis. That section provides, for example, that “all wages earned for labor in excess of the normal work period [e.g., overtime] shall be paid no later than the payday for the next regular payroll period.” (Labor Code §204(b)(1) (language in italics added).)

Last week I worked Monday, Tuesday, Wednesday, Thursday and Saturday, eight hours each day. I was out ill all-day Friday. For the workweek I was paid 48 hours at my regular hourly rate. Am I entitled to eight hours of overtime pay?

No, you are not entitled to any overtime pay. Overtime is calculated based on hours actually worked, and you worked only 40 hours during the workweek.

Another example of where you get paid your regular wages but the time is not counted towards overtime is if you get paid for a holiday but do not work that day. In such a case, the time upon which the holiday pay is based does not count as hours worked for purposes of determining overtime because no work was performed.



Payment of Wages

- Wages must be paid at least twice during each calendar month on the days designated in advance as regular paydays.
- The employer must establish a regular payday and is required to post a notice that shows the day, time and location of payment. [Labor Code Section 207](#)
- Wages earned between the 1st and 15th days, inclusive of any calendar month, must be paid no later than the 26th day of the month during which the labor was performed, and wages earned between the 16th and last day of the month must be paid by the 10th day of the following month.
- Other payroll periods such as weekly, biweekly (every two weeks) or semimonthly (twice per month) when the earning period is something other than between the 1st and 15th, and 16th and last day of the month, must be paid within seven calendar days of the end of the payroll period within which the wages were earned. [Labor Code Section 204](#)



FLC–Wage Payment



Sect. 205, Calif. Labor Code:

*"...wages of workers employed by a farm labor contractor shall be paid on payroll periods **at least once every week** on a business day designated in advance by the farm labor contractor. Payment on such payday shall **include all wages earned up to and including the fourth day before such payday.**"*



Example: Work Week ends on Sunday - Payday is Thursday.

Paycheck Stubs – LC 226

Itemized wage statement must include the following information:

All deductions, Federal and State, Health Care, Child Support, Etc.

Inclusive dates of the pay period

Employee name and SSN (only last 4 digits of the SSN) and address

Employer full legal name, Address, and EIN

Entity securing services aka Grower (full legal entity name and address – January 1, 2012)

Hours worked and ALL applicable rates of pay

Applicable piece rate and number of pieces produced under each applicable piece rate (Daily)

Gross wages

Net wages

CA Paid Sick Leave hours. Available and Used.

AB 1513: Piece-rate work: Rest & Recovery Periods, and Other Non-Productive Time

Meal & Rest Period Premiums



If an employer fails to provide an employee a compliant timely duty-free uninterrupted meal or rest period, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period or rest is not provided.



Max per day: 1 meal period premium + 1 rest period premium.



“REGULAR RATE OF PAY”

- The regular rate of pay includes many different kinds of remuneration, for example: hourly earnings, salary, piece work earnings, commissions, certain bonuses, and the value of meals and lodging.
- Same calculation as weighted average overtime.





What's Wrong with Me?

How to be a paycheck compliance detective

Smith Farming, Inc,
 1234 Smith Lane
 Sacramento, CA

Employee: John Doc
 Check: 1234 SSN: xxx-xx-7894 Crew: 100
 ARN: EIN: 1234567

Id: 56789
 Ck Dt: 02/14/2019
 From: 02/04/2019 Thru: 02/10/2019

Ref. No: G 223108

Date	Type	Hours	Pieces	Rate	Deductions	Earnings
02/08/2019	SALARY	48.00				1,050.00
02/10/2019	GROUP MEDICAL				40.00	
Totals:					40.00	1,050.00

	Hours	Vac Hrs Avail:	-80.00	Sick Hrs Avail:	24.00	Other Hrs Avail:	-24.00	Net Pay		
	Gross	Other Pay	Fed W/H	Soc Sec	Medi	St/W/H	St/Local	Other Ded		
Period:	48.00	1,050.00	.00	30.90	62.62	14.64	.00	10.10	40.00	891.74
YTD:	120.00	2,625.00	.00	61.80	152.83	35.74	.00	20.20		

Smith Farming, Inc.
123 Smith Lane
Sacramento, CA

Employee: John Doe
Id: 5678 SSN: Crew: 6
ARN: EIN: 12-3456789
112233 Circle Street, Sacramento, CA

Check: 12345
Ck Dt: 05/13/2021
From: 05/03/2021 Thru: 05/09/2021

Date	Type	Hours	Pieces	Rate	Prem Rate	Deductions	Earnings
05/03/2021	HOURLY	8.00		14.00			112.0
05/04/2021	HOURLY	8.00		14.00			112.0
05/05/2021	HOURLY	8.00		14.00			112.0
05/06/2021	HOURLY	8.00		14.00			112.0
05/07/2021	HOURLY	8.50		14.00			119.0
05/08/2021	HOURLY	4.50		14.00			63.0
05/08/2021	OVERTIME	3.00		21.00			63.0
Totals:						.00	693.0

Smith Farming, Inc.

12345

Hrs Wrkd	Vac Hrs Avail: 000		Sick Hrs Avail: 10 000			Other Hrs Avail: 000			Net Pay
	Gross	Other Pay	Fed W/H	Soc Sec	Medi	St W/H	St/Local	Other Ded	
Period: 48.00	693.00	.00	.00	42.97	10.05	.00	8.32	.00	631.66
YTD: 292.50	4,119.50	.00	.00	255.41	59.73	.00	49.45		

DO NOT CASH THIS CHECK WITHOUT VERIFYING SECURITY FEATURES ON BACK OF CHECK

Smith Farming, Inc.
123 Smith Lane
Sacramento, CA

Pay Six Hundred Thirty-One Dollars and 66 Cents

DATE: 05/13/2021
CHECK NO.: 74855
CHECK AMOUNT: 631.66

Pay To The Order Of
John Doe

VOID AFTER 60 DAYS

WARM AREA TO REVEAL WORD "VALID"

~~VOID~~

#123 Doe, John XXX-XX-5678

Day	Pay Type	Field	Job	Hrs	Units	Rate	Total
10/17/22 to 10/23/22							
10/27/22							
Good Growers, Inc. 777 Grape Lane, Sacramento, CA							
18	Non-Productive Time	5300	Harvesting-Hourly La	0.4900		18.5000	9.07
18	Piecework	5300	Harvesting-Contract L	4.0100	0.3829	320.0000	122.53
18	Rest & Recovery Period	5300	Harvesting-Hourly La	0.2500		34.8600	8.72
18	Piecework	5301	Harvesting-Contract L	3.0000	0.2871	320.0000	91.87
18	Rest & Recovery Period	5301	Harvesting-Hourly La	0.2500		34.8600	8.72
Grape Grower, Inc. 5678 Wine Lane, Sacramento, CA							
17	Non-Productive Time	5093	Harvesting-Hourly La	0.4900		18.5000	9.07
17	Piecework	5093	Harvesting-Contract L	3.7600	0.4783	230.0000	110.01
17	Rest & Recovery Period	5093	Harvesting-Hourly La	0.2500		34.8600	8.72
Smith Family Vineyard Management 8899 12th Street, Sacramento, CA							
19	Non-Productive Time	5033	Harvesting-Hourly La	0.7500		18.5000	13.88
19	Piecework	5033	Harvesting-Contract L	3.0000	0.7559	200.0000	151.18
19	Rest & Recovery Period	5033	Harvesting-Hourly La	0.2500		34.8600	8.72
20	Non-Productive Time	5033	Harvesting-Hourly La	0.5600		18.5000	10.36
20	Piecework	5033	Harvesting-Contract L	4.1900	1.0602	200.0000	212.04
20	Rest & Recovery Period	5033	Harvesting-Hourly La	0.2500		34.8600	8.72
21	Non-Productive Time	5033	Harvesting-Hourly La	2.0000		18.5000	37.01
21	Piecework	5033	Harvesting-Contract L	2.0000	0.3922	200.0000	78.44
Totals by Pay Type:				Hrs	Units	Rate	Total
Non-Productive Time				4.2900		18.5000	79.39
Piecework				9.1900	2.2083	200.0000	441.66
Piecework				3.7600	0.4783	230.0000	110.01
Piecework				7.0100	0.6700	320.0000	214.40
Rest & Recovery Period				1.2500		34.8600	43.60
Totals:				25.5000	3.3566		889.06

Sick Hrs Available: 4.99 Covid Leave Hours Used: 0.00

	This Check	Yr to Date
Gross Wages	889.06	36,025.23
Fed Wht	22.56	970.27
Social Sec.	55.12	2,233.56
Medicare	12.90	522.37
State Wht	0.00	54.94
SDI	9.78	396.28
Medical	0.00	344.96
Net Check	788.70	31,502.85
Total Hours	25.50	1,329.07

Smith Farming, Inc.
 123 Smith Lane
 Sacramento, CA
 Fed ID: 12-3456789
 St. ID: 111-2222-3

PIECE RATE CALCULATION

FOR SMITH FARMING, INC.

Week of 10/17/22 to 10/23/22	
Total compensation not including compensation for the rest periods (\$889.06 – \$43.60)	\$845.46
Total hours less rest periods (25.5 hours – (1.25 hours of rest periods))	24.25 hrs.
The average hourly rate to be paid for the rest periods (Total compensation less rest period ÷ Total hours worked less rest periods)	\$34.86
Compensation for the rest periods for the workweek	\$43.60
Total compensation for the work week	
Piece rate compensation	\$845.46
Compensation for the rest periods	\$43.60
Total Compensation Payment	\$889.06

Smith Farming, Inc.

EMPLOYEE NO.	EMPLOYEE NAME		SOCIAL SECURITY NO.	PAY PERIOD BEGIN/ENDING	CHECK DATE	
Smith16	Jane Smith		xxx-xx-1111	9/23/19 - 9/29/19	10/2/19	0000
ITEM	RATE	HOURS	TOTAL	ITEM	THIS CHECK	YEAR TO DATE
Regular	14.75			Gross	420.60	7,883.
Pieces	3.00	126.00	378.00	Fed Income		-27.
PiecesBreak	16.25	0.16	2.60	Soc Sec	-26.08	-488.
PiecesHourly	20.00	2.00	40.00	MEDICARE	-6.10	-114.
				St Dis Ins	-4.21	-78.
WEEKS WORKED	HOURS WORKED	GROSS THIS PAY PERIOD		GROSS YEAR TO DATE	NET CHECK	CHECK NO.
1	128.16	420.60		7,883.38	\$384.21	

Smith Farming, Inc.

#1234 Doe, John xxx-xx-0000

07/16/18 to 07/22/18 Ch# 1401 07/27/18

1401

Day	Pay Type	Grower	Field	Job	Hours	Units	Rate	Total		This Check	Yr to Date
16	Bonus			28-34	0.00		0.3500	12.25	Gross Wages	171.75	716.25
16	Reg. Hrs			28-34	14.50		11.0000	159.50	Social Sec.	10.65	44.41
									Medicare	2.49	10.39
									SDI	1.71	7.16
									Net Check	156.90	654.29
				Totals:	14.50			171.75			

Sick Hrs Available: 0

Smith Farming, Inc.

1234 Smith Lane

Sacramento, CA

Fed ID: 00-123 St. ID: 012-3456-6

Smith Farming, Inc.

#12345 Jane Doe 4567 Doe Lane, Sacramento, CA XXX-XX-1111

121212

Good Grower 123 Vineyard Blvd., Sacramento, CA

01/20/19 to 01/26/19 Ch#121212 02/01/19

Day	Pay Type	Field	Job	Hours	Units	Rate	Total	This Check	Yr to Date
20	Piecework	2	Vineyard	44.67	4,176.0000	0.3000	1,252.80	Gross Wages 1,304.22	4,270.87
20	R&R	2	Vineyard	1.83	1.8330	28.0500	51.42	Fed Wht 54.00	68.60
								Social Sec. 80.85	264.79
								Medicare 18.91	61.93
								SDI 13.04	42.71
								Total Taxes: 166.80	438.03
								Net Check 1,137.42	3,832.84
								Total Hours 46.50	201.00

Totals by Pay Type:	Pay Type	Hours	Units	Rate	Total
	R&R	1.83	1.8330	28.0500	51.42
	Piecework	44.67	4,176.0000	0.3000	1,252.80
	Totals:	46.50	4,177.8330		1,304.22

Sick Hrs Accrued: 25.79 Sick Hrs Available: 24

PIECE RATE CALCULATION

FOR SMITH FARMING, INC.

Week of 01/20/19 to 01/26/19	
Total compensation not including compensation for the rest periods	\$1252.80
Total hours less rest periods (14.75 hours – (2 x 10-min rest periods))	44.67 hrs.
The average hourly rate to be paid for the rest periods (Total compensation less rest period ÷ Total hours worked less rest periods)	\$28.05
Compensation for the rest periods for the workweek	\$51.42
Total compensation for the work week	
Piece rate compensation	\$1,252.80
Compensation for the rest periods	\$51.42
Total Compensation Payment	\$1,304.22

Day	G/L #	Crop	Grow	Type	PW Hr	Units	Rate	Total	64.36	0.00	0.00	0.00	766.76	232482
07	601.00	NSLS29	90	RH	0.00	0.0000	16.5000	0.00						
05/10/21-05/16/21			05/20/2021			824.71	16.50	841.21	10.09	0.00	0.00	0.00		
10	601.00	NHWRF82	92	RH	0.00	5.0000	16.5000	82.50						
10	601.00	NHWRF85	92	RH	0.00	3.0000	16.5000	49.50						
11	601.00	NHWRF86	92	PW	2.00	190.0000	0.0600	11.40						
11	601.00	NHWRF88	92	PW	1.25	410.0000	0.0800	32.80						
11	601.00	NHWRF88	92	PW	1.50	334.0000	0.0800	26.72						
11	601.00	NHRF887	92	PW	0.50	115.0000	0.0800	9.20						
11	601.00	NHRF887	92	PW	0.50	173.0000	0.0800	13.84						
11	601.00	NHWRF88	92	PW	0.75	321.0000	0.0800	25.68						
11	601.00	NHWRF88	92	PW	0.50	178.0000	0.0800	14.24						
11	601.00	NHWRF88	92	RR	0.00	0.2500	17.7400	4.44						
11	601.00	NHWRF88	92	RR	0.00	0.2500	17.7400	4.44						
12	601.00	NHWRF88	92	PW	1.00	260.0000	0.0600	15.60						
12	601.00	NHWRF83	92	PW	1.75	670.0000	0.0600	40.20						
12	601.00	NHWRF86	92	PW	1.50	597.0000	0.0600	35.82						
12	601.00	NSHWDR	92	PW	0.50	165.0000	0.0700	11.55						
12	601.00	NSHWDR	92	PW	0.50	268.0000	0.0600	16.08						
12	601.00	NSHWDR	92	PW	1.25	230.0000	0.1000	23.00						
12	601.00	NHWDR1	92	PW	1.00	138.0000	0.1400	19.32						
12	601.00	NHWRF83	92	RR	0.00	0.2500	17.7400	4.44						
12	601.00	NSHWDR	92	RR	0.00	0.2500	17.7400	4.44						
13	601.00	NHWLA63	92	RH	0.00	6.0000	16.5000	99.00						
13	601.00	NHWLA63	92	RH	0.00	2.0000	16.5000	33.00						
14	601.00	NSLS22A	90	RH	0.00	3.0000	16.5000	49.50						
14	601.00	NSLS23A	90	RH	0.00	5.0000	16.5000	82.50						
15	601.00	NSLS22A	90	RH	0.00	3.5000	16.5000	57.75						
15	601.00	NSLS21A	90	RH	0.00	1.5000	16.5000	24.75						
15	601.00	NSLS21A	90	OT	0.00	2.0000	24.7500	49.50						

05/17/21-05/22/21 05/27/2021 824.71 16.50 841.21 10.09 0.00 0.00 0.00 627.12 232412

Smith Farming, Inc.
 123 Vineyard Lane
 Sacramento, CA
 Jané Smith
 456 Farming Circle
 Sacramento, CA

Federal ID #: 123456

Payroll Earnings Record

S.S. #: ***-**- 6789 Account #: 1234

Check Dates: 06/01/2019 to 12/31/2022

Last Check Date: 06/16/2022 Date Last Worked: 06/07/2022

Pay Period	Check Date	Reg Wages	Excess Overtime	Check Total	SDI FICA	Fed Wht State Wht	WBF/L&I	Loans Misc Ded	Net Check	Check #
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Day	G/L #	Crop	Grow	Type	PW Hr	Units	Rate	Total	88.04	8.04	0.00
11	5100.00	ALMOND	911	RH	0.00	41.0000	21.9512	900.00			
	5100.00	ALMOND	911	OT	0.00	2.0000	32.9268	65.85			
16	5100.00	WALNUT	851	RH	0.00	4.0000	18.5000	74.00			
	5100.00	WALNUT	851	OT	0.00	4.0000	27.7500	111.00			



HOTTIP

If the employee must do math to figure out how they were paid, then it probably is not compliant.

In review: Most Common Paycheck Errors



- Using rate in effect for overtime
- Failing to have NPT when working pure piece rate
- Calculating rest & recovery by the day
- Paying minimum wage for CA paid sick leave
- No having the hours worked for piece rate work
- Failing to list the grower's full legal name and physical address
- Failing to list the hours worked for each rate of pay for the workweek
- Not paying weighted average overtime
- Not paying rest and recovery for the entire workweek when piece rate is worked
- Not have CA paid sick leave on the check stub
- Rounding errors
- Calling piece rate a bonus to avoid R&R
- Relying on expensive paycheck services and software for compliance
- Failing to audit before disaster strikes
- Changing workday when people work overnight shifts



QUESTIONS?

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