

Advisor	Or	Employee Advocate
Decisionmaker,	Or	Rubberstamper,
Onion-peeler		Ostrich
Professional	Or	One of the Gang
Neutral Factfinder	Or	Prosecutor, Judge & Jury
Proactive	Or	Reactive
Dynamic Leadership	Or	Status Quo
Role Model	Or	Part of the Problem



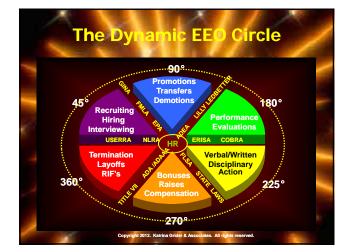
#### Hayes v. Crescent Real Estate Equities, No. 11-2201 (S.D. Tex. 2011)

- Hayes (VP-HR) told company that discretionary bonuses were actually nondiscretionary payments. Plus, hourly employees were misclassified and improperly paid. Company said, "Drop it."
- Hayes didn't. She prepared the upcoming budget and presented it to the directors. Hayes listed a higher amount for labor costs and explained the reason was hourly employees had been underpaid under the FLSA due to the nondiscretionary bonuses. Company said "we're not changing it" and warned again to stop raising the issue.

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#### Hayes v. Crescent Real Estate Equities, No. 11-2201 (S.D. Tex. 2011)

- Next, Hayes was terminated. She sued, alleging retaliation for engaging in protected activity. Crescent: Hayes was merely doing her job when she warned them, and was not engaged in protected activity.
- Court: Disagreed—since Hayes had not dropped the matter, she stepped outside her usual role and had engaged in protected activity. It ordered a trial.







#### FMLA/FLSA Personal Liability: Legal Standard

#### Managers must:

- Exercise supervisory authority over the employee who is seeking FMLA leave
- Exercise supervisory authority over the exempt or nonexempt employee
- Be responsible in whole or in part for the alleged violation
- Would cover any manager or supervisor with hiring and firing authority

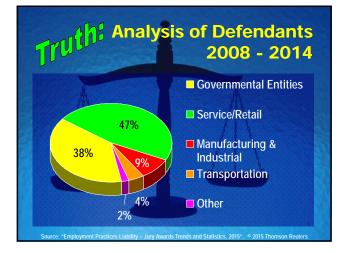
#### How to Avoid Personal Liability

- Know the law (federal and state disability and family leave statutes)
- Educate and train decision-makers
- Follow the law:
   Not just your marching orders
- \*Not just to cut corners
- Document your decisions and who tells you to do what
- Review all policies
- Do not act in anger or retaliate

#### Managers: Stay in Your Lane

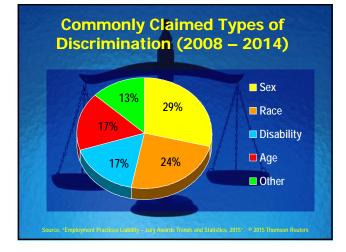
- Do not go drinking/shopping/fishing or stuff with the people you supervise
- Do not Facebook friend anybody you supervise (directly or indirectly)
- Do not sleep with people
- Do not manage by ambush (gotcha!)
- Do not play favorites and make exceptions to your rules and policies
- Do not run your mouth about confidential medical stuff



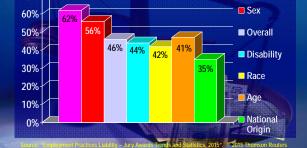


### Defendant Awards 2008 - 2014

Туре	Probability Range
Government Entities	\$77,192 - \$548,326
Manufacturing/Industrial	\$49,410 - \$604,282
Service/Retail	\$17,475 - \$272,643
Transportation	\$34,459 - \$480,000
Overall	\$30,885 - \$400,000

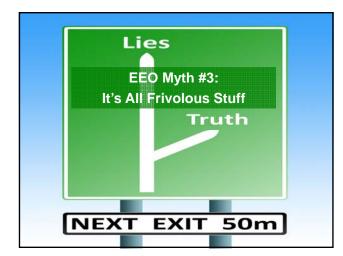


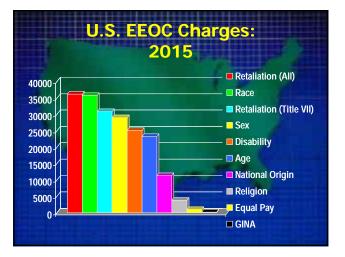


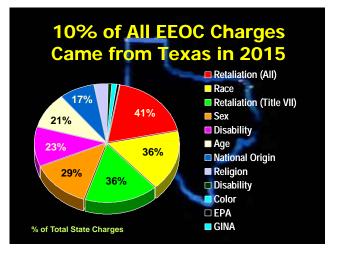


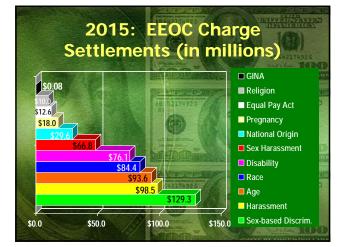
1000 2008-2014			
Туре	Probability Range		
Age	\$125,000 - \$540,000		
Disability	\$66,500 - \$499,049		
Overall	\$55,000 - \$450,000		
Other	\$53,755 - \$250,000		
Race	\$50,000 - \$560,000		
Sex	\$44,782 - \$400,000		

2008-2014			
Туре	Probability Range		
Sex	\$42,375 - \$200,000		
Race	\$41,250 - \$175,000		
Disability	\$40,000 - \$120,000		
Overall	\$30,000 - \$150,000		
Age	\$30,000 - \$149,500		

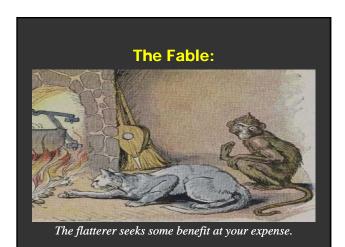












### The Supreme Court's Cat's Paw Theory of Liability

An employee may establish unlawful employment discrimination or retaliation when:

a biased non-decisionmaker (the monkey, a.k.a. the manager)

influences an unbiased

decisionmaker (the cat, a.k.a. HR)

to take action that HR otherwise would not take.



	ce v. FedEx I Ct Houst	on	
Company fired black employee	Back pay	\$180,000	
after he complained of discrimination	Punitive	\$2,500,000	
	Compensatory	\$170,000	
	TOTAL	\$ <u>2,850,000</u>	
<ul> <li>Houston jury found non-</li> </ul>	Jury Time	4.25 Hours	
promotions	Jury Vote	8-0 (3M/5F)	
and firing were			
retaliatory	etaliatory Demand = \$390,000		
	Offer - ¢	55 000	

# **Retaliation Factors**

- Take adverse action against employee who engages in a protected activity:
  - Excessive monitoring of employee's performance
  - Ignoring or avoiding one who filed a complaint
  - Threatening employee with disciplinary action or termination
  - Intimidating employee (chain of command)
- Causal connection between protected activity and adverse action



- Firing an employee on FMLA leave because the he/she is not at work when the manager wants.
- Firing an employee who was caring for a child—and telling her it was because she took too much time off from work.
- Returning an employee from FMLA to lesser duties and pay.
- Weekly calls to employee about his/her return date.

#### Retaliation Awards Overall (2008 – 2014)

Award Range	\$1.00 – \$11,441,559
Award Average	\$564,873

ards Trends and Statistics, 2015". © 2015 Thor

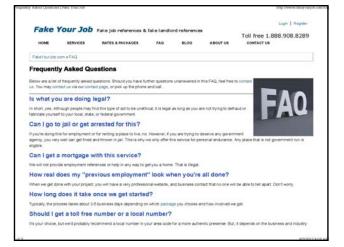
Source: "Employment Practices Liab













Who: Timothy Green (age 54)

What: Runs Paladin Deception Services in Forest Lake, MN

Where: Company is registered in China

<u>Claim</u>: "Will lie to anyone about anything"

Cost: \$54 per month

- Customers run the gamut from cheating spouses in need of alibis to people playing hooky from work
- \* Real demand comes from job seekers, making up more than 60% of what Green says are its 250 to 300 monthly clients

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#### PhoneGangster.com

- Allow you to fake the caller id when calling another party
- Upon calling a person, you get to choose what number appears
- Phone records of party called displays the altered number
- Can change gender of voice
- \* "<u>Our service is not only fun and useful,</u> <u>but it is legal as well</u>"

#### Texas Online Impersonation Statute (Tex. Penal Code §33.07)

- 3<sup>rd</sup> degree felony if a person sends an email, IM, text, tweet referring to another person:
  - 1. Without obtaining the other person's consent
  - 2. Intending to cause a recipient to believe that the message was sent by that person
  - 3. Intending to harm or defraud the person



#### Old School Conduct on New School Devices...

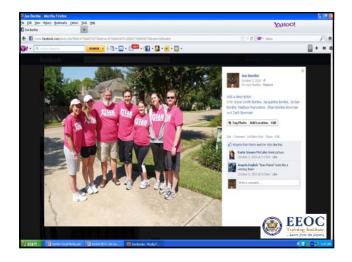
- Disabled employee harassed by coworkers on blog outside the workplace = \$1.6M verdict
- Store manager sent sexually charged text messages to employee; employee reported conduct to direct supervisor; that supervisor was fired for reporting it to legal department = \$2.3M settlement
- Survey: increase in social media complaints

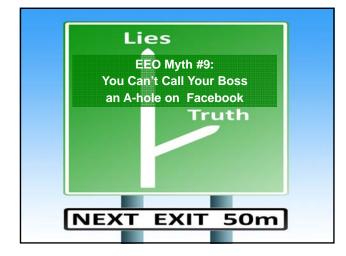


# Can You Google an Employee or Applicant on Social Media? <u>NO</u> Over 24 million Facebook users leave their profiles public www.openbook.org (shut down 07/12) 73% of social media profiles can be found through a public search engine 77% of social network uses do not restrict access to their photos

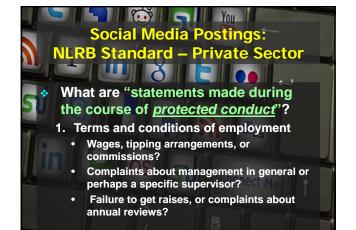
#### Can You Google an Employee or Applicant on Social Media? <u>NO</u>

- 35% employers have at least once decided to not offer a job to an applicant based on the content posted
- Over 50% of the decisions based on:
  - \* Provocative photos
  - × References to drinking and drug use or
  - Bad-mouthing of previous employers and colleagues











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# **Pregnancy Discrimination**

- Review the EEOC Guidelines on pregnancy discrimination
- Pregnancy-related conditions may fall under the ADA (infertility, gestational diabetes, preeclampsia)
- Don't treat pregnancy any differently than any other medical condition
- Promptly respond to accommodation requests from pregnant employees

# Breaks for Nursing Mothers Under the FLSA

- Must provide reasonable break time for nursing mothers to express milk for 1 year after the child is born
- Must provide a place that is shielded from view and free from intrusion
- <u>A bathroom, even if private is NOT a</u> permissible location
- Compensable time if you pay for other breaks (rest, smoke breaks, etc.)

#### Fair Labor Standards Act (FLSA) Scope

✤<u>Minimum wage (</u>currently \$7.25/hr effective July 24, 2009)

Overtime (mandating non-exempt employees be compensated at rate of 1½ times regular rate for all hours worked over 40 in a workweek)

Record keeping (verifying employers keep accurate records of worked time and compensation)

## FLSA Personal Liability for Violations

- Enforced by the Department of Labor (DOL)
- FLSA is one of the few statutes which can impose individual liability on owners, corporate officers or even supervisors.
- There is individual liability under the FMLA (for nonprofits with 50 or more employees within a 75 mile radius)

# **FLSA: Overtime Exemptions**

- Two categories of employees: Exempt = No overtime paid Nonexempt = Overtime must be paid
- 🚸 Must pay nonexempt employees
- Minimum wage
- >Overtime for all hours worked over 40
- 🚸 Certain white-collar employees are exempt from these provisions
- Workweek is 7 day consecutive 24 hour periods (168 hours)

#### White Collar Exemptions: Employees Who Do Not Get Overtime

- To qualify for exemption, employee must meet duties test AND be paid \$913/week or \$47,476 annually
- Executive
- Administrative
- Professional
- Outside sales
- Computer programmers
- Job titles do not determine exempt status!
- Payment of salary alone does not determine status!

#### **DOL Final Rule:** White Collar Exemptions

- Effective 12/01/16
- Increases the salary basis from \$455/week (\$23,660 annually) to \$913/week (\$47,476 annually)
- Increases the total annual compensation for highly compensated employees (HCE) from \$100k to \$134,004
- Amends salary basis test to allow ERs to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10% of the new standard salary level

#### What's the Problem on 12/01/16? **Employees Must be Paid Overtime**

- Employees who earned \$23,660/year AND met the duties test did not have to be paid overtime.
- On 12/01/16, Employees who make > \$23,660/year and < \$47,476/year are now eligible for overtime regardless of what their duties are!!
- May need to increase the salaries of employees to \$47,476 in order to avoid paying overtime
- May need to adjust workloads to decrease chances of overtime being incurred
- May need to reclassify employees as nonexempt and adjust budgets to pay overtime