

Kentucky Wage & Hour Law



Kentucky Labor Cabinet
Department of Workplace Standards
Division of Wages and Hours

Division Objective

The Division of Wages and Hours major objective is to ensure that employers have the knowledge of and comply with labor laws relating to minimum wage, overtime, lunch breaks, rest periods, payroll deductions, and child labor.

Meeting the Objective

In order to determine compliance with labor laws, the Division of Wages and Hours has investigators across the state who monitor employer records and assist employees in securing all wages they have earned.

These investigators also investigate employee complaints regarding violations of wage and hour statutes.

Coverage

The Kentucky Labor Cabinet/Department of Workplace Standards covers any employee who performs work in the state and does not discriminate due to race, color, religion, sex, national origin, age, disability, political affiliation or belief.

Federal Property does not apply.

WAGES

- Any compensation due to employee by reason of his/her employment
- Salaries
- Vested vacation pay
- Overtime pay
- Commissions
- Severance or dismissal pay



Payment of Wages

- Must be paid at least twice a month and no more than 18 days in arrears (exemption for school employees)
- Must be paid within 14 days or the next regular payday whichever last occurs from the employee's last day of employment
- Must supply a statement of deductions if they have 10 or more employees

Record Keeping Requirement



- Name, Address, Social Security Number
- Daily Hours Worked
- Total Weekly Hours
- Regular Rate of Pay
- Additions & Deductions to Wages
- Maintained One Year From Date Of Entry

Minimum Wage

- \$7.25 per hour
- Effective July 1, 2009
- Increases when federal minimum wage increases



Exemptions from Minimum Wage

- Agriculture
- Bona fide salary exempt employee
- State/Federal employee
- Retail establishment that grosses under \$95,000.00 per year for 5 preceding years
- Newspaper delivery
- Babysitter in an individual's home

Statute of Limitations



- Five Year Statute of Limitations
- Liability Created by Statute
- KRS 413.120

OVERTIME

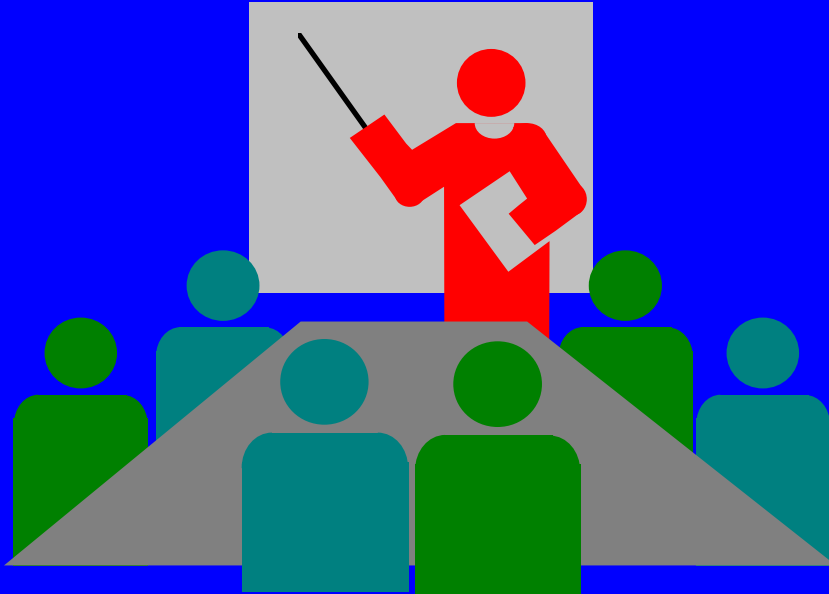


- Time & one-half for all hours worked over 40 in a workweek
- Workweek is defined as a fixed and recurring 7 consecutive 24 hour periods
- Each workweek stands alone

Comp-time

- City, County and Urban-county government employees including an employee of a county elected official.
- Employees may receive comp-time in lieu of overtime pay, at the rate of not less than one and one half (1.5) hours for each hour the county employee is authorized to work in excess of 40 hours in a workweek.

Hours Worked



- Staff Meetings
- Travel Time
- On-Call
- Rest Periods
- Court Time
- Roll Call

Unauthorized Hours of Work

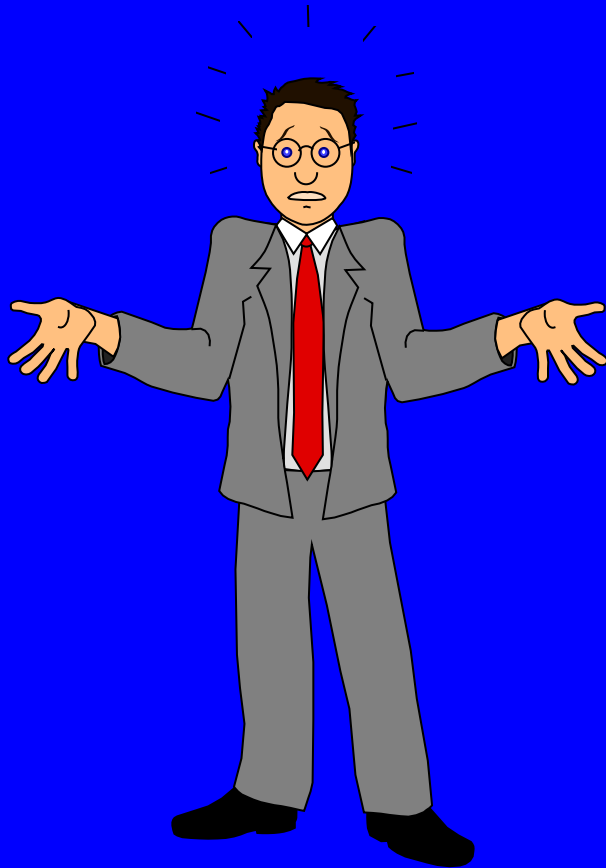
- Unauthorized work vs. authorized work
- Kentucky's wage and hour law does not define the term work, the law does define the term "employ" to mean "to suffer or permit to work". Thus an employer must compensate its employees for authorized and unauthorized work.

Overtime Calculation



- Shift Differentials
- In Charge Pay
- Longevity Pay
- Educational Incentive Compensation
- Commissions
- Working at 2 or More Rates of Pay

Weighted-Average Overtime

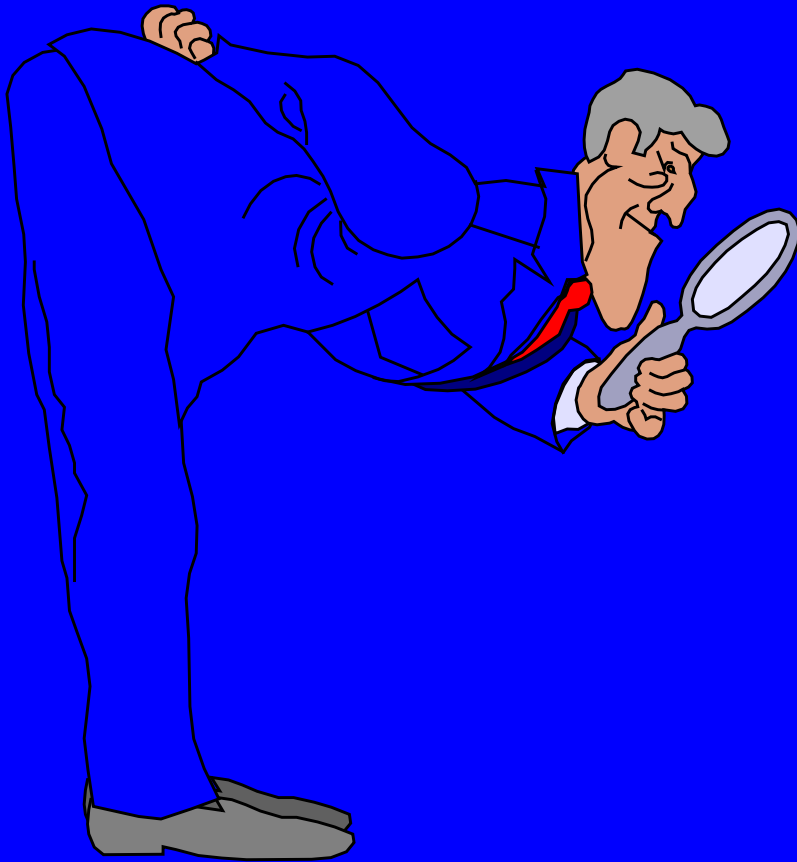


- \$15.00 per hour for 30 hours = \$450
- \$18.00 per hour for 20 hours = \$360
- Total straight time compensation \$810
- \$810 divided by 50 = \$16.20 x .5 = \$8.10
- \$8.10 x 10 = \$81.00

Overtime Exemptions

- Retail stores
- Hotel, motel, restaurant
- Agriculture (except 7th day overtime)
- Drivers, drivers helpers, loaders, mechanics of the Motor Carrier Act, 1935.
- Salesmen, partsmen, mechanics
- Taxi drivers

OVERTIME EXEMPTIONS



- Executive
- Administrative
- Professional

EXECUTIVE EMPLOYEES

- Primary duty must be management of the enterprise or of a department or subdivision thereof
- Shall be paid on a salary basis
- Customary and regular direction of the work of 2 or more other employees

ADMINISTRATIVE

- Primary duty consists of the performance of office or non-manual work directly related to management policies.
- Customarily and regularly exercise discretion and independent judgement with respect to matters of significance.
- Shall be paid on a salary basis.

PROFESSIONAL

- Primary duty consists of work requiring knowledge of advanced type, acquired by specialized intellectual instructions vs. general academic education or apprenticeship
- Consistent exercise of discretion & judgement
- Shall be paid on salary basis

7th Day Overtime

- Must work all 7 days of the work week
- Must work over 40 hours on the 7th day
- All hours worked on 7th day is paid at time and a half

ILLEGAL DEDUCTIONS

- Employers cannot withhold from the wages earned by an employee, without written authorization.
- Under no circumstances can an employer deduct for fines, breakage, cash shortages in a common till, bad checks, losses due to faulty or defective workmanship, or damage to property.

Rest Periods

- Paid 10 minute break for every 4 hours worked
- Can be at any time during the 4 hour block of time
- Exemption – Federal Railway Labor Act

Meal Period

- Reasonable period for meals between the third and fifth hour of work
- Unpaid time if the employee is completely relieved of work duties
- Can be waived by mutual agreement between employer and employee
- Exemption – Federal Railway Labor Act

Commonly Asked ?'s

- **Cash or Check?**
- **Hourly or Salary - Can my employer make my position salaried?**
- **Lunch Periods & Rest Periods?**
- **Vacation, Sick, Holiday or Personal Time?**
- **Vacation, sick or earned time off pay upon termination?**
- **Do I have to work overtime hours?**
- **Can my employer change my rate of pay?**
- **When do I get my final paycheck?**
- **Direct Deposit?**
- **How many hours do I work to be full time?**
- **Benefits?**

Contact Information

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