



CLIENT ADVISORY!!

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WHAT EVERY EMPLOYER NEEDS TO KNOW!!

NEW DEVELOPMENTS IN CALIFORNIA LAW REGARDING PAYMENT OF OVERTIME WAGES

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Recently, there has been an explosion of California lawsuits involving employees with wage-and-hour disputes. California employees are successfully bringing suit against employers who have erroneously classified them as exempt when the courts determine that these employees should have been receiving payment for overtime. The California standard by which a wage earner is defined as exempt or non-exempt differs significantly from that of federal law. Many California businesses have been damaged, and in some cases, completely destroyed because their employees were improperly classified under state law.

It is critical to understand that should any California employer find itself in this type of situation, choose to defend itself in a court of law, and does so unsuccessfully, will be ordered to pay back-overtime, penalties, attorneys' fees and interest. In addition, that employer will have to pay the employees' overtime going forward, which could have a tremendous impact on that employer's business model. The damage can be devastating when one considers that a single claim, brought by a single employee, can potentially cost hundreds of thousands of dollars.

It is imperative that you, as a California employer, protect yourself and your business from these types of lawsuits. For more information about the California standards for employee classification, please contact our office at (949) 851-9001.



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