

Employer Wage & Hour Compliance Risk Checklist

Identify common payroll and classification risks before a DOL investigation begins.

This checklist highlights common wage & hour issues frequently identified during Department of Labor investigations. If you check more than one item, a proactive review is strongly recommended.

1. Overtime & Regular Rate Calculations

- 1 ■ Overtime calculations rely entirely on payroll software
- 2 ■ Bonuses or incentives are excluded from overtime calculations
- 3 ■ Overtime hours are not routinely reviewed

2. Salaried Employee Classification

- 1 ■ Job titles are used instead of actual job duties
- 2 ■ Assistant managers perform significant non-exempt work
- 3 ■ Salary levels have not been reviewed recently

3. Timekeeping Practices

- 1 ■ Automatic meal deductions are used
- 2 ■ Off-the-clock work is not actively monitored
- 3 ■ Rounding practices are not reviewed

4. Tipped Employee Compliance (If Applicable)

- 1 ■ Tip credit practices have not been reviewed
- 2 ■ Tip pooling arrangements are informal or undocumented
- 3 ■ Overtime calculations involving tips are unclear

5. Child Labor Compliance (If Applicable)

- 1 ■ Work hours are not monitored by age
- 2 ■ Job duties are not reviewed for restrictions
- 3 ■ Scheduling software is relied on without compliance review

6. Payroll & Recordkeeping

- 1 ■ Time and payroll records do not consistently match
- 2 ■ Records are missing or incomplete
- 3 ■ Supervisors approve time without verification

7. Proactive Compliance Review

- 1 ■ No wage & hour compliance assessment has been conducted
- 2 ■ Issues are addressed only after complaints

3 ■ No enforcement-based review has occurred

What Your Results Mean

0–1 items checked: Lower visible risk

2–3 items checked: Moderate exposure – proactive review recommended

4 or more items checked: High risk – common starting point for investigations

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FA Consulting LLC provides wage & hour compliance assessments for employers nationwide.