

Always enforce 'no unauthorized OT' policy

The first step to controlling overtime costs is to establish a sound policy forbidding unauthorized extra work for hourly employees. But a “no unauthorized overtime” policy is just the beginning.

You must also enforce the policy for all nonexempt employees, and make sure managers understand why it is important. Otherwise, employees can still sue over unpaid overtime, and they may even turn the case into a massive class-action lawsuit.

It's critical to discipline any employee who works overtime without permission. Make it clear to supervisors that they must not ignore (and certainly mustn't encourage) off-the-clock work.

Recent case: Byron Jones and several other hourly advertising salespeople at a call center sued their employer for alleged unpaid overtime. They claimed that, although the company had a rule against working unauthorized overtime, it was never enforced. Instead, they said supervisors drove them to meet sales quotas no matter how many hours it took—and to report working just 40 hours per week.

The company argued that all the employees signed off on their time sheets showing the hours they worked. It also argued that no overtime was ever approved.

The court allowed the case to proceed as a collective action. It reasoned that a no-overtime policy was irrelevant if the company either encouraged employees to work unreported overtime or made it impossible to perform the job in 40 hours and then turned a blind eye to the additional time spent selling. (*Jones, et al., v. Supermedia, et al.*, No. 3:11-CV-1467, ND TX, 2012)

Final note: Time spent after work responding to email, logging into the company computer system, answering phone calls and completing other tasks may also count as compensable time that qualifies for overtime. Consider banning supervisor-initiated emails and phone calls after hours.