COMPLIANCE

# CUT YOUR WAGE AND HOUR RISK

Pay mistakes are among the most common and most expensive problems in the trades.

## WHY TRADE SHOPS GET CAUGHT

Technician pay is complicated. People move between jobs, take trucks home, earn commissions and work unpredictable hours. Each of those can create a wage and hour problem. Claims can reach back for years and can include damages and attorney fees. This is general information, so have an employment attorney review your practices. State law is often stricter than federal law.

## THE FEDERAL BASICS

Under the Fair Labor Standards Act, covered employers generally must pay non-exempt employees at least minimum wage for all hours worked and overtime of at least time and a half the regular rate for hours over 40 in a workweek. Most technicians are non-exempt.

## KNOW WHAT COUNTS AS HOURS WORKED

The most common errors live here. Per the Department of Labor:

- Ordinary travel from home to work generally isn't work time.
- Travel from job site to job site during the workday is work time and must be counted.

Think through the rest of the day as well, and ask your attorney about:

- Time at the shop loading trucks or getting assignments

- Morning meetings and required training
- Finishing paperwork at home
- On-call time, especially where the restrictions are significant
- Take-home vehicles, and what a tech is required to do before the first call
- Waiting between jobs

Work that you know about, or should know about, generally counts, even if you never asked for it.

# OVERTIME WITH COMMISSIONS AND BONUSES

Commissions and many bonuses don't replace overtime. The regular rate generally includes all pay for the week, except for specific exclusions. A promised production bonus generally has to be included. Divide total compensation by total hours to get the regular rate, then calculate the overtime premium on it. If a tech earns a monthly commission, it may need to be allocated back across the weeks in which it was earned.

Have your pay plan reviewed. See pay plans that reward the right work.

# SALARIED DOESN'T MEAN EXEMPT

To be exempt, most executive, administrative or professional employees need to meet a duties test and a salary test. The federal salary level is $684 per week, after the Labor Department restored the earlier rule in May 2026. Some states set a higher level. Paying a dispatcher or a tech a salary doesn't make them exempt if the duties don't fit.

# INDEPENDENT CONTRACTORS

Calling someone a "1099" doesn't settle anything. Federal analysis looks at the economic reality of the relationship, and a worker can't waive employee status. The Labor Department proposed a new test in February 2026, and states may use their own tests, some of which are stricter. A worker who drives your truck, wears your shirt, follows your schedule and works only for you is a serious risk. Check the current rule with your attorney.

# DEDUCTIONS

Be very careful about deducting for tools, uniforms, truck damage or a customer's unpaid bill. Under federal rules, such deductions can't reduce pay below minimum wage or cut into overtime owed, and that remains true even if an employee was negligent. Many states are stricter.

# KEEP CLEAN RECORDS

Federal rules require records of hours and pay. Accurate time records are also your best defense. Practical steps:

- Use a single timekeeping system.
- Set a clear rule on when the clock starts and stops.
- Ban off-the-clock work, in writing, and enforce it.
- Train managers not to edit time without a reason and a record.
- Have employees confirm their hours each pay period.

# OTHER ITEMS TO CHECK

- Form I-9 for every new hire
- State new-hire reporting
- Final-pay deadlines, which vary by state
- Meal and rest break rules, in states that have them
- Paid sick leave laws, at state and local levels
- Posters required by federal and state law

# AUDIT YOURSELF

Once a year, choose a few techs and compare the GPS or app records with their time cards. Recalculate overtime from scratch for several weeks. If you find a problem, talk with your attorney about how to correct it. Fixing it yourself before someone complains is far better than having it found for you.

Sources: DOL Fact Sheet 22; DOL Fact Sheet 56A; DOL Fact Sheet 16; DOL, salary level, May 2026; DOL, independent contractor proposal.

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## BEST PRACTICES: CALLING RULES AND COMPLIANCE

# MAKE IT A HABIT

## What good looks like

> Consent recorded for every text and marketing call.

> Do-not-call lists checked before every campaign.

> Opt-outs honored right away, in every channel.

## The habits

1. Scrub lists against the national and state do-not-call registries before calling.
2. Keep a record of consent for marketing texts and calls.
3. Honor opt-outs fast, however the customer asks.
4. Call only within allowed hours in the customer's time zone.
5. Watch the Updates page for rule changes and dates.
6. Ask your attorney when a rule is unclear.

### Signs it's time to get help

- You don't know when your lists were last scrubbed.
- Opt-outs are tracked in someone's head.
- Marketing texts go out without recorded consent.

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**Where we fit:** Service ProCall scrubs every list against the do-not-call registries before a single call, and follows a written calling policy.

More on calling rules and compliance