



## Alternative work schedules

Employers benefit when employees have choices

by Pamela V. Rothenberg

**E**mployers are increasingly permitting employees to customize their work arrangements through alternative work schedules. Employees often seek flexibility to allow more time to care for children or elderly parents or simply to improve work-life balance. Employers can implement flexible work arrangements as a strategy to retain qualified people, enhance productivity and lower overhead costs.

Employers considering alternative employee work schedules—like part-time work, telecommuting, job sharing and flextime—should be cognizant of the advantages and disadvantages associated with these arrangements.

- The Fair Labor Standards Act has no special modifications for flexible schedules or full- or part-time status. To be exempt from overtime, employees must meet the duties tests of executives, administrative professionals or outside sales employees; be salaried; and be paid at the salary level required for exempt status under the act. Although a part-time employee may be scheduled to work less than 40 hours per week, guaranteed compensation must be \$455 per week or \$23,660 annually to meet the salary threshold for overtime exemption. The act does not permit prorating the minimum salary required for exempt status.

- Employers should consider the Equal Pay Act, which prohibits sex-based pay differentials, when determining compensation for employees with alternative work schedules. If an employee with an alternative schedule performs the same tasks as

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a full-time employee, the employer should consider paying the part-time employee the equivalent pay prorated for the number of hours required.

- Alternative work schedules can reduce benefit costs. However, employers must check their benefit plans to ascertain at what level benefits are provided. Employees working more than 30 hours a week may be considered full-time and thus eligible for health plan benefits.
- Employers should review their policies on vacation, sick days, bereavement and additional benefits to determine whether those policies are applied to employees

with flexible work schedules. If those policies do not provide such guidance, they should be modified.

- Alternative work arrangements do not relieve employers of legal obligations applicable to regular, full-time employees. Employers are still subject to anti-discrimination laws, occupational safety and health regulations, worker's compensation statutes, the Family and Medical Leave Act and unemployment compensation requirements, regardless of an employee's full- or part-time status.
- Employers should have a written policy detailing the expectations and terms of a flexible work schedule agreement.

To increase employee retention, employers should consider offering workplace options supporting employee work and personal life balance. To be effective, employers should implement these customized work arrangements with careful planning and detailed attention to legal requirements applicable to their specific situations. □

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