

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Employment Services



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PURPOSE

Office of Wage and Hour requires hours worked to be reported for each employee on a quarterly basis and in the quarter the wages are paid. This **Standard Operating Procedure** will provide basic guidelines when recording and computing “hours worked” on forms and for information purposes. This SOP is necessary to provide guidance to the employer community on the proper treatment and reporting for hours worked across the broad spectrum of employment classifications. It will help in the timely filing of contribution and wage reports.

AUTHORITY

The District of Columbia Department of Employment Services, Office of Wage and Hour (OWH), is vested with the authority to require private employers to pay minimum wages, overtime compensation and related benefits to employees.

DEFINITIONS

- ***Hour worked*** is any hour in which the covered employee is engaged in a work activity. The actual number of hours worked by the employee for the quarter shall include paid vacation and holiday hours.
- ***Wages*** includes all remuneration for personal services paid by an employer to an employee. See D.C. Official Code § 51-101(3).

REPORTING REQUIREMENTS

Employers who track hours worked must use those records to determine actual hours and partial hours worked. Whatever method is used to calculate workers’ withholdings must also be used for the employer’s contributions, and vice versa. Do not use any other measure of time worked such as “weeks.” Use whole numbers only, with no fractions or decimal amounts. Fractional hours should be rounded to the next higher whole number. If there are no hours to report for the quarter, enter “0.”

HOURS TO REPORT

<i>Vacation pay:</i>	Report the number of hours an employee is on paid leave. Do not report payments made in place of vacation time as hours worked.
<i>Sick leave pay:</i>	Any payments to an employee under a qualified plan for sickness, accident disability, insurance or annuities, medical or hospitalization expenses in connection with sickness or accident disability, death or retirement are not considered wages or compensation. Do not report these as hours or wages. For payments under a nonqualified plan, report both wages and hours.
<i>Overtime:</i>	Report the number of hours actually worked for which overtime pay or compensatory time is provided, without regard to the amount of wages or compensation paid.
<i>Commissioned or piecework employees:</i>	Report the actual number of hours worked by employees paid by commission or by piecework. If there are no reliable time keeping records, report a full-time commissioned or piecework employee for 40 hours worked for each week in which any of their duties were performed.
<i>Wages in lieu of notice:</i>	When an employee is paid wages in lieu of notice of termination, report the actual number of hours for which they were paid. Wages in lieu of notice of termination pays the employee whose services have been terminated the amount of wages they would have earned during the notice period.
<i>Salaried employees:</i>	If a salaried employee works other than the regular 40-hour week, report the actual number of hours worked.
<i>Faculty employees:</i>	Faculty members of community and technical colleges must teach at least 15 classroom or laboratory hours to be considered full-time. A teaching load of less than 15 hours of instruction is considered part-time. If there is no reliable hourly information, report the hours of instruction as part-time based on 15 credits as a full-time teaching load and 35 hours as full-time employment for a week. For example, an instructor teaches twelve credits per week. Twelve divided by fifteen equals eighty percent. Thirty-five hours times eighty percent equals twenty-eight hours. The employer should report the twenty-eight hours to DOES on the employer's quarterly tax and wage report.
<i>Severance pay:</i>	Do not report additional hours for severance pay. Report only the dollar amount paid to the employee. Severance pay is taxable because it is based on past service and compensates the employee upon job separation.
<i>Payment in kind</i>	Report the actual hours worked for services rendered.
<i>Bonuses, tips and other gratuities</i>	Do not report additional hours for bonuses, tips or other gratuities if they are received by an employee who is working regular hours if bonuses, tips and gratuities are the only sources of compensation.
<i>Fractions of hours</i>	If the employee's total number of hours for the quarter results in a fractional amount, round the total to the next higher whole number.
<i>Practice, preparation, and rehearsal time</i>	If an employee who is a performer or part of a performing group is paid for a performance, but is also required by the employer to attend practice, preparation, and rehearsal on an organized group basis, report the hours spent in the required practice, preparation, and rehearsal as well as the

	performance.
<i>On-call and standby hours</i>	Do not report hours if an employee is paid for a shift of on-call or standby hours in which the employee was not actually called in and did not perform services. If the employee was called in or performed services, report the hours actually worked. If the employer has no records of the number of hours actually worked, report the duration of the shift up to eight hours per day.
<i>Training hours and orientation</i>	If the employee is required by the employer to attend, include hours attending orientation or training.
<i>Part-time workers</i>	Either track actual hours worked, or use the appropriate fraction of the appropriate flat rate to calculate hours worked. For example, for half-time workers paid weekly or biweekly, use a flat rate of half of 40 hours per week to calculate hours worked. For half-time workers paid monthly or semi-monthly, use half or one-quarter of 173.33 hours per month as a flat calculation. Document the calculation method.
<i>Flat rate versus tracking of hours</i>	The flat rate cannot be used for any full- or part-time employee whose hours are tracked. However, the employer is not required to use the same method for every employee. For example, if hours are not tracked for full-time workers but are tracked for part-time workers, use the flat rate for full-time workers and the actual hours tracked for part-time workers.
<i>Overtime</i>	The flat rate may be used if the employer has no way to reasonably estimate the overtime hours worked.
<i>Pre-payments</i>	If an employer pays by the hour before timesheets are collected, payment must be calculated on base hours worked, with adjustments for overtime or leave time made in the subsequent pay period. The assessment can be calculated the same way. The assessment may be based on the base hours assumed as worked during a pay period, and any adjustment to actual hours worked may be used to calculate the assessment in the following pay period.

EXCEPTIONS

Some employers are not required to track actual hours exclusively for purpose of calculating the District's wage and hour assessment. Such exceptions include employers of employees who are paid on commission, paid "by the piece," or who work on an honor system. When hours are not tracked, choose the method that ensures the most reasonable estimate of hours worked. Such reasonably reliable methods would be the following:

- Employers who have information available showing hours worked, such as a contract, should use this information to determine or estimate hours worked.
- Employers who estimate hours worked using a flat-rate calculation should use 173.33 hours per month, 40 hours per week, or 8 hours per day (prorated for part-time).

If any method other than tracking or the flat-rate calculation without adjustment is used to determine a reasonable estimate of hours worked, the employer must record the method and make the notation available in case of audit.