



AAGLA provides the following information as an accommodation to its members who are encouraged to verify it with their own legal counsel. Each situation is different and, therefore, members are cautioned to rely on their own investigation before relying on the following to justify specific legal action.

RESIDENT MANAGER EMPLOYMENT RULES

The Industrial Welfare Commission's (IWC) rules have changed for overtime. An employee is entitled to overtime (generally 1 ½ times normal rate of pay) for all work done in excess of 8 hours in any day or 40 hours in any week (the "8/40" rule). The change eliminates some popular work programs in which employers could offer four 10 hour days to make a 40 hour week with 3 days off, without having to pay overtime. No longer.

Wages, hours and working conditions are the subject of substantial regulation for every line of work. For apartment managers, the rules are set out in **IWC 5 – 98**. Information as to how to obtain a copy of IWC 5 – 98, a copy of which must be posted in the work place, can be obtain by calling (213) 620-6330.

A long as you do not exceed the 8/40 time limits, no overtime needs to be paid for work done on weekends or holidays but wages must be paid at least twice a month.

The minimum wage in California beginning July 1, 2014, is \$9.00 per hour. The dates, time and place of payment must be posted by employer in the work place. The rate of pay (as long as not otherwise set for a specified period of time by agreement) may be reduced after notice from the employer to the employee before work for the new pay period begins, not below the minimum wage rate, however. Likewise the hours of work may be changed, subject to the 8/40 rule as far as the overtime is concerned.

The employee's pay stub (not something written on the check itself) must show the gross amount of wages, the hours of work for which payment is being made, any deductions, the net earnings, the name and social security number of the employee and the name and address of the person or legal entity making payment.

An owner must carry worker's compensation insurance and a notice of the name and address of the carrier must be posted in the work place also. The insurance carrier will provide a poster carrying the required information for posting.

AAGLA's "Standard Resident Manager Employment Agreement" (management agreement) has been amended to set forth the new rules. The most important thing for owners to remember is: Get "time sheets" signed by the manager, setting out the hours worked each pay period. They are the best defense an owner can have against an unpaid wages claim. They may be a pain to obtain, but their non-existence causes the biggest liability threat from claims by a disgruntled ex-employee.

The potential claim: "I was on call 24-hours a day and I'm entitled to be paid for all that time for the last four years" (which gets to be real money). The answer: **AAGLA's** management agreement sets out what has to be done by a manager in order to be entitled to claim "hours of work". **Be sure to fill-out and use Addendum A and Addendum B of the management agreement.**

A resident manager's hours-of-work must be set and must be posted for all to see on the premises. **AAGLA's** management agreement spells out the fact that just because the resident manager lives on the premises, hours-of-work include only actual working time devoted to the premises and not to the time between hours of actual work. (If a "beeper" is provided to an employee it could be considered an incident of control, supportive of a claim of near prisoner-status to the whims of the employer.)

AAGLA's management agreement is designed to allow owners to set out the services they want and to compute what they want to pay for those services (at least \$9.00 per hour for all work hours authorized beginning 7-1-14). The first step is to determine what you want to pay in total (total salary) per month. The second step is to determine how many hours you can get for that amount (divide the total salary by 9.00), and then to the limit the employee's work in the written agreement to no more than that number of hours per month if you want to pay no more than the minimum wage. (You always can pay more, of

course). The third step is to determine how much cash must be paid per month (1/2 in each of the two pay periods designated in advance) in addition to the housing- deduction permitted from total salary. The **AAGLA** agreement sets out the maximum amounts that can be deducted for housing plus utilities (depending on the value of the accommodation and the single managers vs. co-manage status of the employee or employees). You can take 2/3's of the reasonable rental value of the manager's unit, not to exceed the mounts set out in AAGLA's for agreement, as credit against the employee's wages.* The balance must be paid in cash.

Those are the rules to date, as we believe them to be. Remember, if you have other questions, IWC information services is available 8AM to 5PM, Mon-Fri; Tel.: (213)620-6330; or its web page address is www.dir.ca.gov/dlse.

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*Beginning 7-1-14, the maximum credit that may be taken against the manager / managers' salary for use of the manager's unit is \$508.38 (single manager) / \$750.02 (co-managers).