

HR Compliance News

TEXAS WAGE & HOUR LAWS

Texas Minimum Wage

The federal Fair Labor Standards Act (FLSA) sets the wage and hour standards employers must follow, including the minimum wage, overtime, and other wage protections. Employers must pay the highest minimum wage applicable to employees, whether set by federal, state, or local law. The Texas minimum wage is the same as the federal minimum: \$7.25 an hour. If your employees earn tips, you may pay a lower minimum wage, as long as employees earn enough in tips to bring their hourly pay up to at least the full minimum wage of \$7.25. In Texas, employers may pay tipped employees as little as \$2.13 an hour

Overtime

Under the FLSA and Texas Payday Law “employers must calculate the work week as a fixed schedule of a continuous, seven-day, 24 hours per day schedule.” It does not have to be Sunday to Saturday. It can start on any day of the week and end seven consecutive days later.

State law requires that an exempt employee who works more than 40 hours in a work week is entitled to compensation for the excess hours either by:

- Allowing or requiring the employee to take compensatory time off at the rate of 1.5 hours for each hour of overtime (government employees only) or
- Receiving pay for overtime at the rate of 1.5 times the employee’s regular rate of pay

Time Off

Many employers offer their employees paid leave, such as vacation time, sick days, holidays, or paid time off (PTO) benefits. In Texas, these benefits are discretionary. Some states require employers to give employees paid sick days, but neither Texas nor federal law requires employers to offer paid leave.

Payment of Wages

Employees that are exempt from the Fair Labor Standard Act’s overtime provisions must be paid at least once per month, and nonexempt employees must be paid twice per month. An employer may designate paydays consistent with state law. If, however, an employer does not designate paydays, paydays will default to the first and 15th of each month. If an employee is not paid on a payday for any reason, including the employee’s absence, the employer must pay those wages on another business day as requested by the employee.

Final Paycheck

If an employee quits, the employee must be paid in full at the next regular payday. If an employee is terminated, they must be paid in full within 6 days.

(Discrimination on page 2 below)

HR Compliance News

TEXAS DISCRIMINATION AND HARRASSMENT LAWS

Under Title VII of the federal Civil Rights Act of 1964, employers may not make job decisions based on race, color, religion, sex (including pregnancy), or national origin. Additional federal laws prohibit discrimination based on age (if the employee is at least 40 years old), genetic information, or disability. Employers with at least 15 employees are subject to these laws (for age discrimination, employers with at least 20 employees must comply with the law).

Employers may not discriminate in any part of the employment relationship, from job listings, interviews, and hiring decisions, to promotions, benefits, compensation, discipline, layoffs, and termination. Texas law also bans discrimination based on these traits. These laws apply to Texas employers with at least 15 employees.

The same laws that prohibit discrimination also ban harassment. Harassment is unwelcome actions or statements, based on a protected trait (like race or sex), that create a hostile or offensive working environment or that an employee must endure in order to get or keep a job. Sexual harassment is the most familiar type of harassment, but harassment might also be based on disability, ethnicity, or another protected trait.

Recruiting and Hiring

Within 20 days of the effective hire date, an employer is required to provide information about all new or rehired workers to the Employer New Hire Reporting Operations Center in the Texas Office of the Attorney General. The purpose of this requirement is to assist state agencies in:

- Detecting and preventing fraud
- Recovering overpayments