



FLSA Compliance Case Study

Pharmaceutical Manufacturing Company

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Challenge: When a new human resources manager came to a Texas-based pharmaceutical manufacturing company, she quickly realized that several of the employees were not classified in accordance with the regulations of the Fair Labor Standards Act (FLSA), the main piece of legislation regarding minimum wage and overtime requirements. While the HR manager knew the costs of FLSA noncompliance could be quite high, she also knew that she didn't have the resources (being the only HR professional on staff) to manage the problem internally. Already displeased by the fragmented and disorganized service the company was receiving from its current HR and administrative services provider, they began searching for a new HR outsourcing partner, one that would be able to tackle the company's standard human resources and compliance functions while also serving as a resource and sounding board for the company's HR manager.

Solution

Already familiar with the concept, the HR manager knew that only a professional employer organization (PEO) would be able to provide the level of service and expertise she needed. After a few months of research, the company decided to choose G&A Partners as their new PEO. G&A was able to offer the streamlined approach to HR outsourcing they were looking for, as well as the flexibility and scalability they needed as a growing business.

As part of the onboarding process, G&A's team of HR experts conducted an initial HR audit to identify any potential compliance concerns. While the client had expected the audit to uncover a few misclassified employees, they were alarmed to discover that the problem was more widespread than they had anticipated. G&A Partners provided the guidance and resources the client needed to accurately assess each misclassified position and determine the amount of back pay owed to those employees. G&A's team of HR advisors also worked closely with the HR manager and executives to develop and implement a comprehensive and compliant communication plan to notify the affected employees about what had happened and how the issue was being addressed.

Outcome

While the amount of back pay the client was required to pay was substantial (about \$50,000), the final total ended up being significantly less than the HR manager had originally expected. By uncovering and proactively addressing the problem before the US Department of Labor got involved, G&A Partners was able to help protect the client from future litigation, the costs of which could have easily doubled the amount the client had to pay. What's more, not one employee was upset or outraged about the errors. Instead, the way the client's concern and the way they handled the situation made employees feel that their employer truly valued the work they did.

About G&A Partners

G&A Partners, one of the nation's leading professional employer organizations (PEO), has been helping entrepreneurs grow their businesses, take better care of their employees and enjoy a higher quality of life for more than 20 years. By providing proven solutions and technology in the areas of HR compliance, employee benefits, payroll administration and workplace safety, G&A alleviates the burden of tedious administrative tasks and allows business owners to focus their time, talent and energy on growing their company. Headquartered in Houston, G&A has offices throughout Texas, as well as Arizona, Minnesota and Utah.

For more information visit www.gnapartners.com/get-started or call us today: (888) 909-7920.

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