

## Chapter ILHR 274

### HOURS OF WORK AND OVERTIME

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**History:** Chapter Ind 74 as it existed on March 31, 1977 was repealed and a new chapter Ind 74 was created effective April 1, 1977. Chapter Ind 74 was renumbered chapter ILHR 274 under s. 13.93 (2m) (b) 1., Stats., Register, February, 1996, No. 482.

**ILHR 274.01 Definitions.** (1) "Day" means a calendar day or a period of 24 consecutive hours.

(2) "Week" means a calendar week or a regular reoccurring period of 168 hours in the form of 7 consecutive 24 hour periods.

(3) "Regular" time means 40 hours of work per week. Except in restaurants as provided in s. ILHR 274.03.

(4) "Overtime" means hours in excess of 40 hours of work per week. Except in restaurants as provided in s. ILHR 274.03.

(5) "Mercantile" means "pertaining to merchants or trade," and is synonymous with the word commercial. Commercial is viewed with regard to profit or designed for profit; designed for mass appeal, emphasizing skill and subjects useful in business. "Trade" means the business or work in which one engages regularly, an occupation requiring manual or mechanical skill; the persons engaged in an occupation, business, or industry, dealings between persons or groups; the business of buying and selling or bartering commodities or services; to do business with, to have dealings, to give one thing in exchange for another.

**History:** Cr. Register, March, 1977, No. 255, eff. 4-1-77; am. (1) to (4) and cr. (5), Register, December, 1980, No. 300, eff. 1-1-81; correction in (3) and (4) made under s. 13.93 (2m) (b) 7., Stats., Register, February, 1996, No. 482.

**ILHR 274.015 Applicability of chapter.** Pursuant to s. 103.01 (1), Stats., employes employed in manufactories, mechanical or mercantile establishments, beauty parlors, laundries, restaurants, confectionary stores, telegraph or telephone offices or exchanges or express or transportation establishments, hotels, and by the state, its political subdivisions and any office, department, independent agency, authority, institution, association, society or other body in state or local government created or authorized to be created by the constitution or any law, including the legislature and the courts, are covered by this chapter. Employes employed in farming, as defined in s. 102.04 (3), Stats., or in domestic service in household are not subject to this chapter.

**History:** Cr. Register, December, 1980, No. 300, eff. 1-1-81; emerg. am. eff. 12-18-90; am. Register, August, 1991, No. 428, eff. 9-1-91.

**ILHR 274.02 Hours of work.** (1) No person shall be employed or be permitted to work in any place of employment or at any employment for such period or periods of time during any day, night or week as shall be dangerous or prejudicial to the life, health, safety or welfare of such person.

(2) It is recommended that each employer allow each employe, 18 years of age or over, at least 30 minutes for each meal period reasonably close to the usual meal period time (6:00 a.m., 12:00 noon, 6:00 p.m. or 12:00 midnight) or near the middle of a shift. Shifts of more than 6 consecutive hours without a meal period should be avoided.

**Note:** The above meal period requirements are mandatory for minors under 18 years of age.

(3) The employer shall pay all employes for on-duty meal periods, which are to be counted as work time. An on-duty meal period is a meal period where the employer does not provide at least 30 minutes free from work. Any meal period where the

employe is not free to leave the premises of the employer will also be considered an on-duty meal period.

**History:** Cr. Register, March, 1977, No. 255, eff. 4-1-77; cr. (3), Register, February, 1992, No. 434, eff. 3-1-92.

**ILHR 274.03 Overtime pay.** Except as provided in s. Ind 74.08, each employer subject to this chapter shall pay to each employe time and one-half the regular rate of pay for all hours worked in excess of 40 hours per week.

**History:** Cr. Register, March, 1977, No. 255, eff. 4-1-77; reprinted to correct printing error, Register, April, 1977, No. 256; am. Register, December, 1980, No. 300, eff. 1-1-81, emerg. am. eff. 12-18-90; am. Register, August, 1991, No. 428, eff. 9-1-91.

**ILHR 274.04 Exemptions.** Except as provided in s. ILHR 274.08, each employer subject to ch. ILHR 274 shall be exempt from the overtime pay requirements in s. ILHR 274.03 and these exemptions shall be interpreted in such a manner as to be consistent with the Federal Fair Labor Standards Act and the Code of Federal Regulations as amended, relating to the application of that act to all issues of overtime in respect to the following employes:

(1) Persons whose primary duty consists of administrative, executive or professional work.

(a) "Executive" means an employe employed in a bona fide executive capacity who meets the following criteria:

1. Whose primary duty consists of the management of the enterprise in which they are employed or of a customarily recognized department or subdivision thereof; and

2. Who customarily and regularly directs the work of 2 or more other employes therein; and

3. Who has the authority to hire or fire other employes or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employes will be given particular weight; and

4. Who customarily and regularly exercises discretionary powers; and

5. Who does not devote more than 20%, or in the case of an employe of a retail or service establishment who does not devote as much as 40%, of their hours of work in the workweek of activities which are not directly and closely related to the performance of the work described in subs. 1. through 4. provided, that this paragraph shall not apply in the case of an employe who is in sole charge of an independent establishment or a physically separated branch establishment, or who owns at least a 20% interest in the enterprise in which he is employed; and

6. Who is compensated for their services on a salary basis at a rate of not less than \$700 per month.

(b) "Administrative" means an employe employed in a bona fide administrative capacity who meets the following criteria:

1. Whose primary duty consists of the performance of office or nonmanual work directly related to management policies or general business operations of their employer or their employer's customers, or

2. Who customarily and regularly exercises discretion and independent judgment; and

3. a. Who regularly and directly assists a proprietor, or an employe employed in a bona fide executive or administrative capacity; or

b. Who performs under only general supervision work along specialized or technical lines requiring special training, experience, or knowledge, or

c. Who executes under only general supervision special assignments and tasks; and

4. Who does not devote more than 20%, or in the case of an employe of a retail or service establishment who does not devote as much as 40%, of their hours worked in the workweek to activities which are not directly and closely related to the performance of the work described in subs. 1. through 3.; and

5. Who is compensated for their services on a salary or fee basis at a rate of not less than \$700 per month.

(c) "Professional" means an employe employed in a bona fide professional capacity who meets the following criteria:

1. Whose primary duty consists of the performance of:

a. Work requiring knowledge of an advance type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes, or

b. Work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employe, or

2. Whose work requires the consistent exercise of discretion and judgment in its performance; and

3. Whose work is predominantly intellectual and varied in character (as opposed to routine mental, manual, mechanical or physical work) and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and

4. Who does not devote more than 20% of their hours worked in the workweek to activities which are not an essential part of and necessarily incidental to the work described in subs. (1) through (3); and

5. Who is compensated for services on a salary or fee basis at a rate of not less than \$750 per month.

(2) Outside salespersons who spend 80% of their time away from the employer's place of business.

(3) Higher paid commission employes of retail and service establishments if a) 50% of earnings is from commission, and b) time and one-half of minimum wage is received for all hours worked.

(4) Drivers, driver's helpers, loaders or mechanics of a motor carrier or a private or contract carrier who are covered under the provisions of Section 204 of the Motor Carrier Act 1935 as amended. Any employe of an employer engaged in the operation of a common carrier by rail and subject to the provision of Part I of the Interstate Commerce Act as amended and any employe of a carrier by air subject to the provision of the Railway Labor Act as amended.

(5) Drivers of taxi cabs.

(6) Time spent in related classroom instruction by indentured apprentices need not be counted as work time for the purpose of computing overtime.

(7) Parts persons, salespersons, service managers, service writers, or mechanics selling or servicing automobiles, trucks, farm implements, trailers, boats, motorcycles, snowmobiles, other recreational vehicles or aircraft, when employed by a non-manufacturing establishment primarily engaged in selling such vehicles to ultimate purchasers.

(8) Any employe employed by an establishment which is an amusement or recreational establishment, if a) it does not operate

for more than 7 months in any calendar year, or b) if during the preceding calendar year, its average receipts for any 6 months of such year were not more than 33% of its average receipts for the other 6 months of such year. This rule shall be construed in such manner as to be in conformity with any comparable federal statute or regulation.

(9) Employes of independent contractors such as those employes who erect silos and other farm buildings or equipment, build terraces, dig wells or build dams for ponds; employes engaged in inspecting and culling flocks of poultry and pilots and flagpersons engaged in the aerial dusting and spraying of crops.

(10) Employes employed in any motion picture theater.

(11) Employes of a hospital or other institutions primarily engaged in the care of the sick, the aged, the mentally ill or persons with developmental disabilities who reside on the premises may have an agreement between the employer and the employe before performance of the work for the purpose of overtime computation. A work period of 14 consecutive days is accepted in lieu of the workweek of seven consecutive days for purposes of overtime computation if time and one-half the regular rate of pay is paid for all hours worked in excess of eight hours per day and 80 hours within the 14 day period.

(12) Employes employed as a driver or driver's helper making local deliveries, who are compensated for such employment on the basis of trip rates or other delivery payment plan, if each plan has the general purpose and effect of reducing hours worked by such employes to, or below, the maximum workweek applicable to them.

(13) Employes employed in any funeral establishment.

(14) Any employe employed in the following forestry or lumbering operations, if the number of employes employed by the employer in the operation does not exceed 8:

(a) Planting or tending trees, cruising, surveying or felling timber;

(b) Preparing logs or other forestry products; or

(c) Transporting logs or other forestry products to a mill, processing plant or railroad or other transportation terminal.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77; cr. (9), Register, February, 1980, No. 290, eff. 3-1-80; emerg. cr. (10), eff. 6-27-80; am. (intro.), r. (7), renum. (8) and (9) to be (7) and (8) and am. (7), cr. (9) to (13), Register, December, 1980, No. 300, eff. 1-1-81; cr. (14), Register, March, 1983, No. 327, eff. 4-1-83; am. (intro.), Register, August, 1991, No. 428, eff. 9-1-91; corrections made under s. 13.93 (2m) (b) 7., Register, February, 1996, No. 482.

**ILHR 274.045 Interpretation of hours worked.** The provisions of s. ILHR 272.12 apply to the interpretation of hours worked under this chapter.

History: Cr. Register, February, 1992, No. 434, eff. 3-1-92; correction made under s. 13.93 (2m) (b) 7., Register, February, 1996, No. 482.

**ILHR 274.05 Waiver or modification.** Except as provided in s. ILHR 274.08, where a collectively bargained agreement exists, the department may consider the written application of labor and management for a waiver or modification to the requirements of this chapter based upon practical difficulties or unnecessary hardship in complying therewith. If the department determines that in the circumstances existing compliance with this chapter is unjust or unreasonable and that granting such waiver or modification will not be dangerous or prejudicial to the life, health, safety or welfare of the employes, the department may grant such waiver or modification as may be appropriate to the case.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77; am. Register, August, 1991, No. 428, eff. 9-1-91; am. Register, February, 1992, No. 434, eff. 3-1-92; correction made under s. 13.93 (2m) (b) 7., Register, February, 1996, No. 482.

**ILHR 274.06 Records.** Except as provided in s. ILHR 274.08, each employer shall keep permanent records for at least 3 years, available for inspection and transcription by a duly authorized deputy of the department, showing the name and address of

each employe, the hours of employment and wages of each and such other records as the department may require.

**History:** Cr. Register, March, 1977, No. 255, eff. 4-1-77; am. Register, August, 1991, No. 428, eff. 9-1-91; correction made under s. 13.93 (2m) (b) 7., Register, February, 1996, No. 482.

**ILHR 274.07 Penalties.** Any employer who violates order s. ILHR 274.02, 274.03 or 274.06 shall be subject to the penalties provided in ss. 101.02 and 109.11, Stats. Each day of violation shall constitute a separate and distinct offense.

**History:** Cr. Register, March, 1977, No. 255, eff. 4-1-77; correction made under s. 13.93 (2m) (b) 7., Register, February, 1996, No. 482.

**ILHR 274.08 Coverage of public employes. (1)** This section applies to employes of the state, its political subdivisions, and any office, department, independent agency, authority, institution, association, society or other body in state or local government created or authorized to be created by the constitution or any law, including the legislature and the courts.

**(2)** The provisions of ss. ILHR 274.03 through 274.06 regarding overtime pay, exemptions, and records shall not be applicable to employes identified in sub. (1). The provisions applicable to employes identified in sub. (1) shall be the provisions of the federal Fair Labor Standards Act, 29 CFR Part 553, the regulations of the U.S. department of labor relating to the application of the Act to employes of state and local governments, and other federal regulations relating to the application of the Act to overtime issues affecting employes of state and local governments.

**(3)** Where there is a valid collective bargaining agreement in effect as of December 18, 1990, the provisions of this chapter shall not become effective for employes identified in sub. (1) until one day after expiration of the collective bargaining agreement, unless it is otherwise modified prior to expiration.

**History:** Emerg. cr. eff. 12-18-90; cr. Register, August, 1991, No. 428, eff. 9-1-91; correction in (2) made under s. 13.93 (2m) (b) 7., Register, February, 1996, No. 482.