Add One Line in Employment Contracts to Reduce Exposure to Misclassification Liability



Image by NY Photographic

An employee misclassification lawsuit can be difficult to dismiss early because plaintiffs are afforded great latitude in crafting factual disputes that can only be resolved at trial, points out a post in the **Labor Days blog** for Kelley Drye.

Special counsel Michael D. Yim offers a suggestion: one simple sentence in employment contracts, handbooks and policies for salaried employees that would likely reduce exposure by approximately two-thirds in FLSA cases.

He presents the wording of the sentence and then illustrates the financial impact and disparity of the two calculation methods – first without the "magic words" in the agreement and then with the "magic words."

Read the article.