

## Flexible Scheduling

*Small business owners and employees need flexibility to meet home and work requirements*

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Small-business owners, as well as their employees, are faced with the challenging task of juggling their personal lives with their careers. In order to allow the greatest amount of freedom while maintaining productivity, flexible scheduling—including flexible credit hour programs, compensatory time and compressed workweeks—must be allowed for all small businesses.

Under the current law, employers aren't allowed to give workers complete flexible scheduling options due to limitations within the *Fair Labor Standards Act* (FLSA). FLSA determines the national standards for the wage, hour and overtime requirements with which all U.S. employers must comply. Though the Department of Labor embarked on a rule change (effective Aug. 23, 2004) to address overtime compensation and ease the complexity of such calculations, there was no effort to address flexible scheduling.

The FLSA law requires, among many other provisions, a 40-hour work week and mandatory overtime payment at the rate of one-and-a-half times the hourly wage. In 1978, Congress recognized the benefit to flexible schedules when it passed the *Federal Employees Flexible and Compressed Work Schedules Act*. This legislation allows certain workers the choice of taking overtime pay as either cash or paid time off, and permits flexible work weeks—but only for federal employees.

Businesses are allowed to adjust schedules and work hours within a 40-hour work week, but nothing beyond that singular week. For certain individuals who are exempt from overtime pay, namely those in managerial roles, the employee and employer have the opportunity to discuss and legally alter the worker's schedule—even allowing for multiple-week arrangements. Unfortunately, a typical small business employee may not qualify for such an exemption, leaving them unable to negotiate a better work arrangement with their employer.

Flexible scheduling has become a key recruitment tool for some of America's largest companies in their search for management-qualified employees. Small businesses, however, are hit particularly hard by FLSA's rigid rules, simply because they're more likely to hire fewer management-qualified employees. Allowing for flexible scheduling holds significant benefits for both employees and employers.

*NSBA urges both Congress and federal rule-makers to move forward on FLSA provisions that allow flexible scheduling, including compensatory time-off in lieu of overtime pay and flexible 80-hour two-week work periods.*