

Do we have to pay employees who clock in early?

Your employees clock in early but wait until their scheduled start time to begin working. Now what? This is a common problem with non-exempt employees, and as the employer, you must walk the line between following labor laws and ensuring your employees follow company policy.

According to the Fair Labor Standards Act, a US labor law regulating minimum wage requirements, overtime pay, and similar regulations, along with other state laws, you must pay your employees for the time they work — whether they're clocked in or not. In this case, you must pay them for any time they're on the clock. This is true even if they're not working because it's difficult for you to prove so once they're officially in the system. However, there are ways to resolve this situation, so you're not continually forced to pay your employees who clock in before their scheduled time.

While there's no one size fits all approach to resolving this issue, you can try different strategies to determine the best fit for your company.

6 Ways to manage employees who clock in early

One important note to keep in mind is that you can't withhold pay from employees. In doing so, you put yourself at risk of receiving Fair Labor Standards Act violations. So withholding pay is never the answer.



Have a clear policy in place

You want to have a policy in place clearly stating overtime pay must be pre-approved by a manager. Some employees purposefully clock in early to accumulate overtime pay, so having this in place will provide official documentation that a company policy is in place if you must take disciplinary action.

Be sure to have employees sign that they've received the handbook as a formal acknowledgment of their understanding of the policy. Also, within your policy, communicate other important information related to clocking in for work such as where, when, and how to clock in, expectations associated with clocking in regularly, disciplinary actions if they fail to clock in on time, and even timesheet rounding practices if applicable within the company.

Remember, you're still responsible for paying for all time employees are clocked in, whether they've agreed that overtime must be pre-approved or not. But you'll likely want their pay to come with disciplinary actions for disobeying company policy.

Explain why it's a problem

Some employees might not understand why them clocking in early is a problem to begin with, so they don't take your warnings and requests seriously. In this case, be transparent about why clocking in early is a real problem for the company. Also, be clear that you can no longer tolerate it. Be prepared to follow through with any disciplinary actions outlined in the company policy.

Discipline employees

Once your employees are aware they can't clock in until the official start of their shift, you can begin disciplining them for violating company policy. The disciplinary actions may vary and can escalate depending on the number of offenses, but this is often required to change unwanted behavior in some employees.

Some disciplinary actions you might implement include:

- An informal conversation about clocking in early
- Formal warning
- Written warning
- Probationary period
- Suspension of duties
- Job termination

Keep in mind that discipline alone doesn't give you the right to withhold payment for the time they clocked in early.

Send employees home early

If you find an employee is getting closer to reaching overtime and requiring overtime pay, send them home early. In doing so, they won't work over 40 hours per week.

Though, keep in mind that while it might solve the overtime problem, it often leaves the company with an uncovered position that needs coverage which presents an entirely different issue.

Place limits on your time clocking system

Depending on your time clocking system, consider placing limits on how early an employee can clock in. This might look like having a system where employees must clock in right on time or can only clock in up to 5

minutes early.

You have to balance this because if employees arrive to work early and begin working, they should be paid for their time, whether they've clocked in or not. However, having a system that limits how early employees can clock in serves as a reminder to employees that they shouldn't begin working until their official start time.

Discover why they're clocking in early

If you find certain employees are consistently clocking in early, try to understand why it's happening. Some employees clock in early because they want to hit overtime. In this case, are there overtime opportunities available? Are there advancement opportunities or special projects that will allow for a pay increase?

Other employees want to ensure they're not late, so they clock in early. In this case, help them develop a better clocking in routine to be right on time.

If you have a better understanding of why your employees are clocking in early, you might be able to help them develop a plan to stop the behavior before disciplinary action is needed.