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Apartment Managers: Wage and Hour Laws
(January 2012 - December 2012)

1. **General Rules:**

- A. Minimum wage compensation for a manager is \$8.00 per hour for each hour worked.
- B. Overtime: Overtime of 1 1/2 times hourly rate (\$12.00) must be paid if more than 8 hours per day, 40 hours per week, or 6 consecutive days.
- C. If the Manager is not required to live at the property of an under 16 unit building, but the Manager chooses to live there, then any rent may be charged.
- D. If the Manager is required to live at the property, regardless of the number of units, the rent paid by the Manager may not exceed the monthly sum of \$451.89 for a single manager, or \$668.46 for a couple.
- E. If no rent is charged, the manager's wages may be offset by up to 2/3rds the ordinary rental value, but no more than \$451.89 (one manager) or \$668.46 (couple) per month.

2. **Qualifications to General Rules:**

- A. **Under 16 Units:** If less than 16 units and the manager is not required to live at the property, then manager can be charged any rent, even if greater than \$451.89 or \$668.46.
But full hourly minimum wage must be paid to manager without offset if full rent is charged. Dollar-for-dollar wage reduction in payment of minimum wage not exceeding \$451.89 or \$668.46 (up to 2/3rds the unit's value) if partial rent reduction.
- B. **16 Units Or More:**
 - Exception No. 1: "Offset of Wages":** Manager's wages may be reduced by the lesser of (1) 2/3rds the unit's rental value, or (2) \$451.89 per month (one manager) or \$668.46 per month (couple) if no rent is paid. Dollar-for-dollar wages reduction if only a partial rent reduction. Manager's wages may not be offset by more than \$451.89 or \$668.46 even though the apartment might be worth significantly more.
 - Exception No. 2: "Check Exchange":** Manager may pay up to 2/3rds the value of the unit as rent (without regard to \$451.89 and \$668.46 limitations) provided that separate checks are exchanged for the Manager's payment of rent and Owner's payment of wages. Thus, the Owner must pay Manager the full minimum wage (\$8.00 for all hours worked) and the Manager must pay Owner an amount not exceeding 2/3rds the rental value by separate checks.
- C. **"\$2,774 Manager":** The exemption from wage laws for highly compensated managers receiving a salary of \$2,774 per month is generally inapplicable because other conditions also apply. It is best not to rely on this exemption.

3. **Recommendations:**

- A. **Sign a Contract:** No offsets to the minimum wage are allowed unless Manager signs a contract with Owner providing for such offsets!
- B. **Update all Contracts:** Review and update all contracts to be consistent with law.
- C. **Management Certification:** Require Manager to record all hours worked, initial and deliver such report to Owner.
- D. **Posting:** Post Manager's name and address in conspicuous place at the building.
- E. **Record Keeping:** Keep accurate records of all matters concerning hiring, hours worked and firing of Managers.

NOTE: As used herein, "Owner" includes a management company employer. For a fuller discussion of these laws, see the January 2012 issue of AOA Magazine or contact Mr. Alberstone.