

LEGAL NEWS FOR YOUR BUSINESS

September 2025

Client Alert

Resolve Pay Mistakes Fast: How the DOL's PAID Program Empowers Employers

As an employer, if you know or suspect you are paying employees incorrectly, the Department of Labor's Wage and Hour Division's relaunched Payroll Audit Independent Determination program could be a valuable lifeline.

The updated program gives employers the opportunity to review their own payroll practices and voluntarily correct specific violations of the Fair Labor Standards Act and Family and Medical Leave Act, helping them resolve issues without court involvement.

Common violations employers can now resolve more quickly include:

- Failing to pay for all hours worked, including overtime.
- Incorrectly calculating overtime pay rates.
- Not paying exempt executive, administrative, and professional employees on the required salary basis.
- Incorrectly determining FMLA leave ineligibility.

Why take advantage of this program?

Efficient Resolution: Facilitates faster settlements and remedies for statutory violations.

Minimize Penalties: Avoids traditional WHD audit penalties such as liquidated damages or civil penalties.

Reduce Litigation Risk: Helps avoid litigation while ensuring timely relief for employees.

But you should know...

- The WHD may adjust backpay amounts, potentially increasing payments, and employees retain the right to reject settlements and pursue private action.

- PAID program settlements do not address state law claims, so employers might still face state-level legal challenges.
- Employers may not be able to participate under certain circumstances, including if they are under WHD investigation or in active litigation for the same violations or were found to have violated certain requirements of the FLSA or FMLA within the past 3 years.

Let us handle it! If you have questions about compliance with wage and hour rules, our employment counsel can help to conduct an audit and advise whether use of the PAID program would be beneficial for you.

*For further information, please contact Gardner Skelton at **(704) 335-0350** or ***click here to visit our website.****



NICOLE GARDNER
(704) 390-7007 direct
nicole@gardnerskelton.com



KRIS FINLON
(704) 390-7032 direct
kfinlon@gardnerskelton.com



MARK PINCUS
(704) 390-7043 direct
mark@gardnerskelton.com



contactus@gardnerskelton.com | www.gardnerskelton.com
3746 N. Davidson Street, Charlotte, NC 28205

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!