



Travel Time Pay

This fact sheet applies to non-exempt/hourly employees, as exempt employees get paid the same each pay period regardless of how much they work and whether they travel. With the exception of travel from home to work and back, most travel time is considered work time.

Travel time is counted as work time, and thus overtime may be due for travel and factored into the nonexempt employee's regular rate of pay.

Because traveling does not require the employee to employ his/her skills, an employer may establish a separate rate of pay for travel **before the work** is performed for hourly employees, provided the rate does not fall below the statutory state or local minimum wage (whichever is higher). Here are some additional details regarding travel time:

Travel time. When an employee is required to report to a work site other than the regular site, the employer must pay the employee travel time for any time in excess of the employee's normal commute time to and from the regular site.

Once the workday has begun, any travel between work sites or other locations is compensable time. Travel time is also considered compensable work hours (time on the clock) if the employer requires its employees to meet at a designated place, use the employer's transportation to and from the work site and prohibits employees from using their own transportation. If an employee has no regular job site, travel time to the new job site each day is *not* compensable.

Compulsory travel time longer than the employee's normal commute is considered compensable time. (You must pay them for this time.) If an employee has a temporary work location change, the employee must be compensated for any additional time required to travel to the new job site in excess of the employee's normal commute time.

The definition of "hours worked" can be found in the Industrial Welfare Commission Orders and means the time during which the employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted (required or allowed) to work.

Out of town work. State law does not distinguish between hours worked during the "normal" working hours or hours worked outside "normal" working hours, nor does it distinguish between hours worked in connection with an overnight out-of-town assignment. If an employer requires an employee to attend an out-of-town business meeting, training session, or any other event, the employer cannot disclaim an obligation to pay for the employee's time in getting to and from the location of that event.

Example: Time spent driving, or as a passenger on an airplane, train, bus, taxi cab or car, or other mode of transportation, in traveling to and from this out-of-town event, and time spent waiting to purchase a ticket, check baggage, or get on board is considered time spent carrying out the employer's directives. Because the employee is subject to the employer's control they must be paid for these "hours worked."

Non compensable time during work travel. Time spent taking a break from travel in order to eat a meal, sleep or engage in purely personal pursuits not connected with traveling or making necessary travel connections (such as, for example, spending an extra day in a city before the start or following the conclusion of a conference to sightsee), is not considered work time and is not compensable.

Travel rate of pay. The rate at which the travel must be paid depends upon the nature of the compensation agreement. If the employer has agreed to pay a fixed hourly rate of pay for any work performed, then travel time must be paid at that regular hourly rate, or if applicable, the required overtime rate (which will be based upon the employee's regular rate of pay).

Overtime Pay. Nonexempt employees must be paid at the appropriate overtime rate (i.e., any hours worked in excess of eight in a workday or 40 in a workweek, among other overtime requirements). (See Labor Code Section 515). If travel time and work time exceed eight hours in a workday, the employee must receive travel pay at one and one-half times the weighted average of the regular pay rate and the travel time rate combined (note, double time is owed if travel time and work time exceed twelve hours in a workday).

Expenses. All necessary and reasonable expenses incurred in connection with employer-required travel (in excess of the employee's normal commute, where applicable) must be reimbursed to the employee including, but not limited to mileage, meals, lodging, and transportation.

If your employees work from home or a remote office, you must reimburse them for all reasonably incurred expenses that are required to perform their work remotely. These should include expenses such as Wi-Fi, printer-related expenses (paper and ink), home office expenses, cell phone expenses, office supplies, etc.

If your employees primarily work from home, when they are required to travel to the office to attend meetings or for any other purposes, you must reimburse them for mileage to and from the office.

Even if your employees are voluntarily working from home, (you are not requiring them to or they request to), you must still reimburse them for all business-related expenses.

If your employees request reimbursement for a portion of their electric bill or other utilities they claim they are incurring as a consequence of working from home, you should reimburse them for a reasonable percentage of those expenses (see Labor Code Section 2802).

Consult with a CEA Advisor to create a reimbursement agreement that works for you and your employees.