



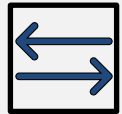
**WAGE AND HOUR DIVISION**  
U.S. DEPARTMENT OF LABOR

**1-866-487-9243**  
[DOL.GOV/WHD](https://www.dol.gov/whd)

# What is today about?



Introduction to the PAID self-audit program



Changes in PAID



Benefits of participation



How the program works

# Compliance

## Resources & Assistance

CORPS

DOL.GOV/WHD

866-4-US WAGE

Compliance Assistance Toolkits

Opinion Letters



# What is PAID?

**The Payroll Audit Independent Determination (PAID)** is a self-audit program that enables employers to resolve FLSA wage violations and certain FMLA leave violations without litigation.

# Benefits of Participation

## FOR EMPLOYERS

- Resolution outside of litigation
- More streamlined than a full investigation
- No civil money penalties
- Two-year period



# A Unique Opportunity

FLSA is a unique law

Employers cannot be released from claims via *private releases*

Violations resolved through PAID offer that release

# Weigh the Options



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DOL showing up at your door

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vs.

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Defending a private lawsuit

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vs.

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Participating in PAID

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# Who can participate in this program?

## **Employers who are:**

- Covered by the FLSA or the FMLA
- Seeking to resolve FLSA wage violations and certain FMLA violations
- Willing to meet program requirements
- Acting in good faith
- Willing to commit to future compliance under the FLSA and/or the FMLA



# Who cannot participate in this program?

## **Employers who are:**

- Currently under investigation for the same issues
- Currently in litigation, for the same issues, that began before the employer applied for PAID
- Acting in “bad faith”

# What types of violations does this program address?

## Fair Labor Standards Act

- Minimum Wage
- Overtime

## Family & Medical Leave Act

- Employee was denied leave
- Employee was not returned to same job or an equivalent job
- Employee received a penalty for using FMLA leave

# How does the program work?

- Participation is voluntary
- Easy to follow four-step process



# Before PAID Can Happen

## Preparation

1. Verify FLSA or FMLA coverage
2. Confirm participation eligibility
3. Review compliance material

# PAID Process

## The Process

1. Employer self-audit
2. Report to WHD
3. WHD Review
4. Resolution and payment/remedy

# Employer Self-Audit



Identify specific violations found



Identify affected employees



Identify timeframes



Calculate back wages and/or propose  
FMLA remedies

# FMLA Self-Audit Guidance

- Identify violations (e.g., leave denials, attendance penalties, or return to work issues)
- FMLA remedies may include monetary or non-monetary (e.g., removal of attendance points or disciplinary actions)
- FMLA resolution may include corrections to leave practices
- Compliance obligations under other laws (e.g. ADA, PWFA, state) are not relieved by participation in PAID

# Report to WHD

## Contact WHD to submit:

The names, addresses, and phone numbers of all affected employees

Back wage calculations with supporting evidence and methodology or methodology and supporting evidence for determining other remedies due

Supporting evidence for identified violations, such as payroll records or relevant leave records

Records of hours worked of each affected employee or records demonstrating the nature of FMLA violations during applicable time frame



# What to Bring WHD



Records to show the corrected practices to comply with the FLSA and/or FMLA;



Concise explanation of potential violations for possible inclusion in liability release;




Certification that the employer reviewed all PAID information, terms, and compliance assistance materials; and



Certification that the employer meets all eligibility criteria of the PAID program.

# Review and Resolution

WHD reviews back wage computations **and/or other proposed remedies**




WHD issues summary of unpaid wages **and/or other proposed remedies**



WHD issues claims forms describing settlement



Employer pays all back wages **and/or provides remedies** by the end of the next full pay period



Employer provides proof of payment **and/or remedies**

# PAID Website

## Payroll Audit Independent Determination (PAID)

### Resolve FLSA and FMLA Violations Quickly and Avoid Litigation

The Wage and Hour Division (WHD) offers the Payroll Audit Independent Determination (PAID) program to help employers resolve potential minimum wage and overtime violations under the Fair Labor Standards Act (FLSA), as well as certain potential violations under the Family and Medical Leave Act (FMLA). This program allows employers to correct mistakes efficiently and ensure employees receive back wages or other remedies promptly, all while avoiding litigation.

Under PAID, employers are encouraged to conduct audits and, if they discover FLSA or FMLA violations, to self-report those violations. Employers may then work in good faith with WHD to correct their mistakes and to quickly provide 100% of the back wages due or other remedies to their affected employees.

[Expand All ▼](#)

**How PAID Works** +

**Can I Participate in PAID** +

**FLSA Employer Eligibility for PAID** +

**FMLA Employer Eligibility** +

**FLSA Certification Requirements** +

**FMLA Certification Requirements** +

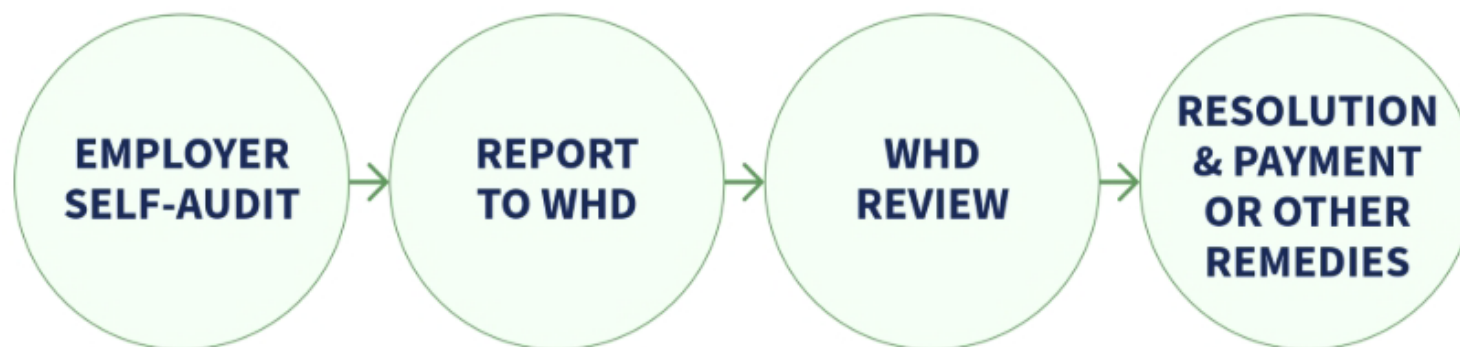
**Conduct Your Self-Audit** +

**Payment and Other Remedies to Employees** +

**Additional Resources** +

# PAID Website: How PAID Works

## How PAID Works



The PAID program allows employers to identify and correct potential minimum wage, overtime, and certain FMLA violations efficiently while working with us to ensure employees receive back wages.

- **Employer Self-Audit** -- Employers should review compliance assistance materials; specifically identify the potential violations, employees affected, and timeframes each employee was affected; calculate the amount of back wages owed to each employee, if applicable; and specify any other FMLA remedies that are necessary for compliance.
- **Report to WHD** -- Employers then contact WHD to discuss their findings, back wage calculations, remedies due, supporting evidence, and methodology. Employers must also submit a concise statement of the scope of the potential violations for inclusion in a release of liability, and certification that the employer reviewed and meets all the program's requirements.
- **WHD Review** -- WHD will evaluate the submission and provide guidance on next steps, including any additional information required to review the back wages and other remedies due for the identified compensation and leave practices.
- **Resolution & Payment or Other Remedies** -- Employers pay back wages and/or remedies within 15 days of receiving the summary of unpaid wages and provide proof of payment and documentation of other remedies to WHD.

# PAID Website: Participate in PAID

## Can I Participate in PAID

To participate in PAID, you must be (1) covered by the FLSA and/or the FMLA, (2) interested in proactively resolving potential minimum wage, overtime, tip retention and/or FMLA claims, and (3) willing to commit to future compliance under the FLSA and/or the FMLA.

### Coverage Under FLSA

#### Does your organization have two or more employees?

- If yes, go to the next question.
- If no, your employee is not covered under the FLSA by enterprise coverage but still may be covered under individual coverage (see below).

#### Is your organization:

- A Federal, state, or local government agency;
  - A hospital, or an institution primarily engaged in the care of the sick, the aged, or the mentally ill or developmentally disabled who live on the premises (it does not matter if the hospital or institution is public or private or is operated for profit or not-for-profit);
  - A pre-school, elementary or secondary school, institution of higher learning (e.g., college), or a school for mentally or physically handicapped or gifted children (it does not matter if the school or institution is public or private or operated for profit or not for profit); or
  - A company/organization with annual dollar volume of sales or receipts in the amount of \$500,000 or more?
- 
- If yes to any one of the above, your employees are covered under the FLSA by enterprise coverage.
  - If no, your employees are not covered under the FLSA by enterprise coverage but still may be covered under individual coverage.

#### Do your employees:

- Engage in interstate commerce;
  - Produce goods for interstate commerce and/or provide services closely related and directly essential to the production of goods for interstate commerce; or
  - Provide domestic service?
- 
- If yes to any of the above, your employees are covered under the FLSA by individual coverage.
  - If no, your employees are not covered under the FLSA by individual coverage.

#### Additional information on FLSA Coverage:

[Fact Sheet #14: Coverage Under the Fair Labor Standards Act \(FLSA\)](#)

### Coverage under the FMLA

#### Is your organization:

- A private-sector employer who employs 50 or more employees in 20 or more workweeks in either the current calendar year or previous calendar year?
- A Federal, state, or local government agency, regardless of the number of employees?
- A local educational agency (including public school boards, public elementary and secondary schools, and private elementary and secondary schools, regardless of the number of employees)?

If not, your business is not covered by the FMLA.



# PAID Website: FLSA Eligibility

## FLSA Employer Eligibility for PAID

When contacting WHD about potentially participating in PAID to resolve FLSA minimum wage, overtime, or tip retention violations, be prepared to certify the following as true:

- You are an employer covered by the FLSA.
- The employees included in your proposed PAID self-audit are not subject to prevailing wage requirements under the H-1B, H-2B, or H-2A Visa Programs, the Davis Bacon Act or Related Acts, or the Service Contract Act.
- Neither WHD nor a court of law has found within the last three years that you have violated the FLSA minimum wage and/or overtime requirements.
- You are not currently a party to any litigation (e.g., private, with WHD, or with a state enforcement agency) asserting that the compensation practices at issue in this proposed PAID self-audit violate FLSA minimum wage and/or overtime requirements.
- To the best of your knowledge, WHD is not currently investigating the compensation practices at issue in this proposed PAID self-audit.
- You have informed WHD of any recent complaints of which you are aware by your employees or their representatives to you or your representatives, to WHD, or to a state wage enforcement agency asserting that the compensation practices at issue in this proposed PAID self-audit violate FLSA minimum wage and /or overtime requirements.
- You have not previously participated in PAID within the last three years to resolve potential FLSA minimum wage or overtime violations.
- You acknowledge that you have a continuing duty, during the audit process, to update WHD on any changes to the above information and/or representations.
- You acknowledge that participating in the PAID program does not cut off employee rights under other state or local laws.

WHD maintains its discretion to determine whether to accept employers into PAID. Potential participants are examined on a case-by-case basis.

# PAID Website:

## FMLA Eligibility

### FMLA Employer Eligibility

When contacting WHD about potentially participating in PAID, be prepared to certify the following is true:

- You are an employer covered by the FMLA.
- The employees included in your proposed PAID self-audit are not subject to prevailing wage requirements under the H-1B, H-2B, or H-2A Visa Programs, the Davis Bacon Act or Related Acts, or the Service Contract Act.
- Neither WHD nor a court of law has found within the last three years that you have violated the FMLA.
- You are not currently a party to any litigation (e.g., private, with WHD, or with a state enforcement agency) asserting violation of the FMLA practices at issue in this proposed PAID self-audit.
- WHD is not currently investigating the FMLA practices at issue in this proposed PAID self-audit.
- You have informed WHD of any recent FMLA or state leave law complaints of which you are aware by your employees or their representatives to you or your representatives, to WHD, or to a state enforcement agency asserting that the leave practices at issue in this proposed PAID self-audit violate the FMLA requirements.
- You have not previously participated in PAID within the last three years to resolve potential FMLA violations resulting from the leave practices at issue in this proposed PAID self-audit.
- You have a continuing duty, during the audit process, to update WHD on any changes to the above information and/or representations.
- You acknowledge that participating in the PAID program does not cut off employee rights under other federal, e.g., Americans with Disabilities Act, Pregnant Workers Fairness Act, Title VII, state, or local laws.

WHD maintains its discretion to determine whether to accept employers into PAID. Potential participants are examined on a case-by-case basis.

# PAID Website: FLSA Certification

## FLSA Certification Requirements

Now that you have confirmed that your business must comply with the FLSA, to participate in PAID, you must review compliance assistance materials about the FLSA. This material will not only help you understand the program but also help you more fully understand your minimum wage and overtime obligations under the FLSA before conducting your self-audit.

You will be asked to enter your name and the name of your business at the start of the review. You must review the material presented on each screen before proceeding to the next item. Materials include a series of short videos on FLSA topics. Videos are hosted on YouTube so please ensure you are viewing them on a device that supports YouTube.

After you complete the Compliance Assistance Review, the system will generate a Certificate of Completion. Please print the certificate or save it as a pdf, as you will need to present it to WHD with the rest of your documents.

### FLSA Certification Checklist

**If you would like additional information, you may visit or bookmark the [Compliance Assistance page](#).**

These materials are for general information and are not regulations.



# PAID Website:

## FMLA Certification

### FMLA Certification Requirements

Now that you have confirmed that your business must comply with the FMLA, to participate in PAID, you must review compliance assistance materials about the FMLA. This material will not only help you understand the program but also help you more fully understand your obligations under the FMLA before conducting your self-audit.

You will be asked to enter your name and the name of your business at the start of the review. You must review the material presented on each screen before proceeding to the next item. Materials include videos on FMLA topics. Videos are hosted on YouTube so please ensure you are viewing them on a device that supports YouTube.

After you complete the Compliance Assistance Review, the system will generate a Certificate of Completion. Please print the certificate or save it as a pdf, as you will need to present it to WHD with the rest of your documents.

Start the Certification Process:

**FMLA Certification Checklist**

If you would like additional information, you may visit or bookmark the [Compliance Assistance page](#).

These materials are for general information and are not regulations.

# PAID Website: Reviews

## FMLA & FLSA Compliance Assistance Reviews

To participate in the Payroll Audit Independent Determination (PAID) program, your business must complete two short compliance assistance reviews: one for the Fair Labor Standards Act (FLSA) and one for the Family and Medical Leave Act (FMLA). Both are available on this page.

- [Go to the FLSA Compliance Review](#)
- [Go to the FMLA Compliance Review](#)

### What to Expect

- You'll enter your name and business name at the start of each review.
- Each training checklist includes five short sections that include brief videos on key topics.
- You must review all material before continuing.
- The FLSA review covers topics like minimum wage, overtime, hours worked, and recordkeeping.
- The FMLA review covers employee eligibility, qualifying reasons for leave, and job protections.

### After You Complete Each Review

- A certificate of completion will be generated once you finish each review.
- **Print or save both certificates as PDFs.**
- You will need to submit both with your PAID program documentation.
- If you do not receive or save a certificate, you may need to complete that review again.

## FLSA Compliance Review

### FLSA Certificate Information

To verify completion of the FLSA compliance assistance review, you must submit your certificate along with your self-audit documentation. If you do not receive or save your certificate, you may need to repeat the review.

Your Name\*

Business Name\*

# PAID Website: Review Checklist

## FLSA Certificate Information

To verify completion of the FLSA compliance assistance review, you must submit documentation. If you do not receive or save your certificate, you may need to

Your Name\*

John Doe

Business Name\*

John Doe, Inc.

## FLSA Basics – Self-Led Training Checklist

### 1. Get an Overview

- ☒ **Review:** [Handy Reference Guide to the Fair Labor Standard](#)
- ☒ **Watch:** [Does the FLSA apply to my business?](#) 5:07 min



### 2. Understand Who's Covered

- ☒ **Review:** [Which workers are "employees" entitled to FLSA v](#)
- ☐ **Watch:** [Minimum Wage – What applies to my business?](#)



- ☐ **Review:** [Which employees must be paid at least the federal minimum wage?](#)

Questions and Answers About the x

https://www.dol.gov/agencies/whd/minimum-wage/faq

MOUs GovTA Web Analytics Comms MS 365 Comms SP Site Comms Site-Embed... CORPS Portal

## Questions and Answers About the Minimum Wage

### What is the federal minimum wage?

Under the Fair Labor Standards Act (FLSA), the federal minimum wage for [covered nonexempt](#) employees is \$7.25 per hour effective July 24, 2009. Many [states](#) also have minimum wage laws. Where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher minimum wage rate.

Various minimum wage exceptions apply under specific circumstances to [workers with disabilities](#), [full-time students](#), [youth under age 20](#) in their first 90 consecutive calendar days of employment, tipped employees and [student-learners](#).

### What is the minimum wage for workers who receive tips?

An employer may pay a tipped employee not less than \$2.13 an hour in direct wages if that amount plus the tips received equal at least the federal minimum wage, the employee retains all tips and the employee customarily and regularly receives more than \$30 a month in tips. If an employee's tips combined with the employer's direct wages of at least \$2.13 an hour do not equal the federal minimum hourly wage, the employer must make up the difference.

Some [states](#) have minimum wage laws specific to tipped employees. When an employee is subject to both the federal and state wage laws, the employee is entitled to the provisions of each law which provide the greater benefits.

### Must young workers be paid the minimum wage?

# PAID Website: Certificate

After you complete the Compliance Review, the system will generate a **Certificate of Completion**. Please print the certificate or save it as a pdf. You will need to present it to WHD with the rest of your documents.

*The United States Department of Labor*



**Certificate of Completion**

*This certifies that:*

**John Doe**

John Doe, Inc.

*Has successfully completed the review of compliance assistance materials required for the PAID program.*

7/24/2025

Keep your certificate to submit to the Wage and Hour Division with your required information.



# PAID Website: Self- Audit

## Conduct Your Self-Audit

Once you have completed the PAID Compliance Assistance review and generated and saved your Completion Certificate, you must audit your business's compensation practices. Before moving to the next steps, be sure that you have:

- Specifically identified the potential FLSA and/or FMLA violations that may have occurred in the last two years;
- Identified which employees were affected within the last two years;
- Identified the timeframes, within the last two years, in which each employee was affected; and
- Calculated the amount of back wages you believe are owed to each employee, and/or specify any other FMLA remedies that are necessary to be in compliance.

**IMPORTANT:** If you pay back wages to your employees *before* WHD reviews the back wages owed, those employees will not have waived their rights to pursue a private lawsuit for these potential violations under the FLSA and/or FMLA because WHD *did not supervise* the settlement of these back wages.

When you contact the WHD district office, you will be asked to provide WHD with:

- The names, addresses, and phone numbers of all affected employees;
- Your back wage calculations along with supporting evidence and methodology used to make those calculations;
- Any other FMLA remedies described above, along with supporting evidence and methodology;
- Payroll records and any other relevant evidence;
- For FLSA violations, records demonstrating hours of work of each affected employee during the time frame at issue;
- For FMLA violations, records demonstrating the nature of the violation and impact to affected employee(s);
- Records to show that you have corrected the compensation and/or leave practices to comply with the FLSA and/or the FMLA;
- A concise explanation of the scope of the potential violations for possible inclusion in a release of liability;
- A certification that you reviewed all of the program's information, terms, and compliance assistance materials; and
- A certification that you meet all eligibility criteria of the program.

WHD will then evaluate this information and contact you to discuss next steps, including collecting any other information necessary for WHD to review the back wages or other remedies due for the identified violations. If WHD accepts you into PAID, WHD will provide you with the proposed scope of the release of liability for the potential violations presented.



# PAID Website: Payment

## Payment and Other Remedies to Employees

After WHD reviews the back wages due, it will issue a summary of unpaid wages to the employer. WHD will also issue forms describing the settlement terms for each employee, which employees may sign to receive payment. The employee may freely choose to accept or decline the payment. The employer may not retaliate against any employee who does not accept the payment. The release of claims provided in the form will reflect the previously provided release language and, again, will be limited to the potential violations for which the employer had paid back wages. Employers are responsible for issuing prompt payment; WHD will not distribute the back wages.

Employers must pay all back wages due within 15 days of receiving the summary of unpaid wages and provide proof of payment to WHD expeditiously.

If other FMLA remedies were due, WHD will review the records of violations and proposed remedies and confirm adequacy of the proposed remedy based on your submission. Remedies must be implemented within 15 days of receiving the finalized self-audit results from WHD.

# Am I setting myself up?



If WHD denies an employer's good faith request to participate in the program, will WHD then investigate the employer based on the information the employer already provided?

# Will DOL expand the scope?



If an employer comes to WHD prepared to resolve a potential violation at one location, might DOL seek information regarding other employees at other locations?



# Am I the first?

- Employers from coast to coast have participated
- Variety of industries
- For profit, not-for-profit, government

# Testimonials

But don't take our word for it...

Here's what employers and employees who have been through the program have to say.

# Testimonials from Employers

**I had a very good and smooth experience with the Department of Labor's PAID self-audit program. Not only were we able to make the corrections we needed to make, but I now feel very confident that we are absolutely doing things right. The investigator was very personable and that made it easy to pick up the phone and talk through my questions.**

**Our overall experience with the PAID program is that it's been great, it's been fairly easy. It was so much easier than we anticipated and expected.**

**This is a win-win opportunity for employers, employees and the DOL. The experience has changed our view of the DOL...We can seek guidance on any wage and hour concern we may have.**

# Testimonials from Employees

Receiving back wages was definitely a pleasant surprise. I was not expecting a check at all and then it was like a large sum of money fell in my lap. PAID was a very good experience for me. Receiving the unexpected money is giving me a chance to better my life.

Before this self-audit, I was always doing paperwork on my own time and doing extra travel on my own dime. Now my employer has corrected that, and I am being paid for all of it. The back wage check came at a very crucial time for me.



# How will I learn more about PAID?



Visit our website:

[www.dol.gov/agencies/whd/paid](http://www.dol.gov/agencies/whd/paid)

Call us: 866-4US-WAGE

