

DOL Issues Guidance on Compensability of Company- Sponsored Volunteer Work



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Does the adage “no good deed goes unpunished” apply to employers that fail to pay wages to hourly employees during volunteer events? Not necessarily, according to a recent [U.S. Department of Labor \(DOL\) Opinion Letter](#).

Per the Opinion Letter, to avoid a finding that an employee’s volunteer time is compensable, the employer must refrain from directly or impliedly coercing its employees to participate. In other words, participation must be voluntary and devoid of any undue influence.

The DOL’s Opinion Letter clarifies that notifying employees of the volunteer event or asking for participation is not coercive. Conversely, if consequences exist for failing to participate, such as changes to working conditions, the employee’s time spent volunteering would likely be considered compensable, as participation would not be considered “voluntary.”

The Opinion Letter also addresses whether offering certain benefits for participation would be considered “coercive.” Critically, an employer may consider an employee’s volunteer activities when determining a bonus, without converting volunteer time to compensable hours, as long as: volunteering remains optional; non-participation is

not punished; and the bonus is not guaranteed.

Employers that wish to ensure volunteer time is non-compensable would do well to remember two things: (1) employers should not punish an employee's lack of participation in volunteer activities; and (2) bonuses for participation cannot be guaranteed. Employers with questions about whether volunteer time should be compensated should consult with competent counsel.

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