

## National Council of HUD Locals AFGE Council 222

<http://www.afgecouncil222.com>

August 4, 2008

### HUD to start paying FLSA damages

On June 26, 2008, attorneys for the Union, Snider and Associates, submitted to the CFO's office a list of employees to whom payment should be made under the FLSA settlement agreement. The CFO's office has advised that these payments will begin this week. The Union requested that the agency notify employees of the purpose of the payments, but CFO advised that the system will only allow for eleven characters—not enough room to fully explain the payments. They've suggested that we send the following information to all employees:

The National Finance Center (NFC) and the U.S. Department of Housing and Urban Development's (HUD) Fort Worth Accounting Center are in the process of making payments pursuant to the Fair Labor Standards Act (FLSA) Final Settlement Agreement. Taxes will be withheld from all payments issued by the NFC. For current HUD employees, any payment issued will be sent to the banking institution authorized by you for bi-weekly payroll purposes. If you are no longer employed by HUD, payment will be issued in the form of a check and mailed to the last known address contained in the NFC database. All payments for liquidated damages will be issued by the Fort Worth Accounting Center and no taxes will be withheld from these payments. Additionally, these payments will be marked "**FLSA NTX WH**" (*which represents FLSA payment, no taxes withheld*), and sent to the banking institution of record contained in your EFT banking information on file in HUD's accounting systems. If you do not have EFT information in HUD's accounting system, your payment will be sent via check to the last known address on record. At the end of the calendar year, you will receive an Internal Revenue Service Form 1099 MISC from HUD for liquidated damages payment over \$600 and you are responsible for any federal, state and local taxes due.

There are two categories of damages that employees may receive. The first is for "suffer and permit" overtime damages. Only eligible employees who timely filed a claim through our web-based claims process will receive payment for "suffer and permit" overtime damages (S&P damages). The second is for the difference between compensatory time and paid overtime, and the difference between capped overtime and uncapped overtime (OT/CT damages). Employees who were determined to be eligible for damages did not have to submit a claim; Management provided the Union with sufficient payroll information for our attorneys to determine the amounts due employees. Our attorneys transmitted payment information to the CFO's office for both kinds of damages.

Within each category of damages, there are two kinds of damages—back pay damages and liquidated damages. The CFO's office will distribute liquidated damages and the NFC will distribute back pay damages. Back pay damages are subject to all income taxes, as well as social security and Medicare taxes. Liquidated damages are only subject to income taxes. Most employees can expect to receive the bulk of their damages as back pay from the NFC. The CFO's office has advised that the NFC is prepared to start distributing these funds, but may only

be able to process them in batches of 1000 every pay period. The CFO will distribute liquidated damages to all employees during the same week.

If you have further questions regarding the nature and amount of payment received, please contact your Local Union representative.

For more information on the FLSA case, visit our website at <http://afgecouncil222.com/flsagrievance.html> or Snider and Associates website at <http://www.overtime.com>.

In solidarity,

*Carolyn Federoff*

Past President  
AFGE Council 222

This e:Alert is intended for AFGE Council 222 bargaining unit employees.  
Questions or comments? Hit reply or send email to: [AFGECouncil222@hud.gov](mailto:AFGECouncil222@hud.gov)