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DEDUCTIONS FROM PAY/SAFE HARBOR EXEMPT EMPLOYEES

The University's pay practices and procedures are governed by the Federal Fair Labor Standards Act (FLSA), its amendments, and its regulations. Under the FLSA, positions may be classified as either non-exempt or exempt. Employees in non-exempt positions are not exempt from the overtime provisions of the FLSA. Employees in exempt positions are exempt from the overtime provisions, although covered by other provisions of FLSA. It is the policy of the University to comply with the salary basis requirements of the FLSA. Therefore, it does not make improper deductions from the salaries of exempt employees. Employees classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or change in position.

Permitted deductions. The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., income taxes;
- Deductions for employee benefits when authorized by the employee;
- Absence from work for one or more full days for personal reasons other than sickness or disability;
- Absence from work for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;
- Offset for amounts received as witness or jury fees, or for military pay;

During the week an exempt employee begins work for the University or during the last week of employment, the employee will only be paid for actual hours worked. In addition, an employee may be paid only for hours worked during a period when the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

Improper deductions. If an employee classified as exempt believes that an improper deduction has been taken from his or her pay, the employee should immediately report the deduction to the Human Resources Department. The report will be promptly investigated and if it is found that an improper deduction has been made, the University will reimburse the employee for the improper deduction and take good faith measures to prevent improper deductions from being made in the future. In cases of improper overpayments, employees are required to promptly repay the University in the amount of the overpayment. If there is another type of error, the University will promptly take steps to resolve the matter.

[End]