



National University of Health Sciences General Policies

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<i>James Winterstein</i> President	<i>5-17-09</i> Date			

POLICY STATEMENT

The Fair Labor Standards Act (FLSA) is a federal law which requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek.

However, Section 13(a)(1) of the FLSA provides an exemption from both minimum wage and overtime pay for employees employed as bona fide executive, administrative, professional and outside sales employees. Section 13(a) (1) and Section 13(a) (17) also exempt certain computer employees. To qualify for exemption, employees generally must meet certain tests requiring their job duties and be paid on a salary basis at not less than \$455 per week. Job titles do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the FLSA's regulations.

Procedures

Salary Basis Requirement:

To qualify for exemption, employees generally must be paid at not less than \$455 per week on a salary basis. These salary requirements do not apply to outside sales employees, teachers, and employees practicing law or medicine. Exempt computer employees may be paid at least \$455 on a salary basis or on an hourly basis at a rate not less than \$27.63 an hour. Being paid "salary basis" means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent basis. The predetermined amount cannot be reduced because of variations in the quality or quantity of the employee's work. Subject to exceptions listed below, an exempt employee must receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked.

Exempt employees do not need to be paid for any workweek in which they perform no work. If the University makes deductions from an employee's predetermined salary, i.e., because of the operating requirements of the business, that employee is not paid on a "salary basis". If the employee is ready, willing and able to work, deductions may not be made for time when work is not available.

Circumstances in Which the University May Make Deductions From Pay:

Deductions from pay are permissible when an exempt employee: is absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability if the deduction is made in accord with the University's sick day policy or practice of providing compensation for salary lost due to illness; to offset amounts employees receive as jury or witness fees, or for military pay; or for unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

Also, the University is not required to pay for penalties imposed in good faith for infractions of safety rules of major significance, or for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act. In these circumstances, either partial day or full day deductions may be made.

It is our policy to comply with the salary basis requirements of the FLSA. Therefore, we prohibit all University managers from making any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the University does not allow deductions that violate the FLSA.

What To Do If An Improper Deduction Occurs:

If you believe that an improper deduction has been made to your salary, you should immediately report this information to your direct supervisor, to the payroll office and/or the human resource department.

Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.