

Policy Title: Fair Labor Standards Act Safe Harbor Policy

Policy Summary: Compliance with the Fair Labor Standards Act

Policy Category: Human Resources

Policy Owner: Human Resources

Policy Summary

Drake University complies with the Fair Labor Standards Act (FLSA).

Purpose

It is Drake University's policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA).

Scope

Under the Fair Labor Standards Act (FLSA), University employees classified as exempt are paid on a salary basis, and as such receive a regular, predetermined amount of compensation each pay period which cannot be reduced because of variations in the quality or quantity of the exempt employee's work.

Definitions

Exempt Employees: employees exempt from the minimum wage and overtime requirements of the Fair Labor Standards Act (FLSA). To qualify for exempt status, employees generally must be paid not less than \$684 per week on a salary basis although these salary requirements do not apply to outside sales employees, teachers, and employees practicing law or medicine. Exempt computer professional employees must be paid at least \$684 per week on a salary basis, or if paid on an hourly basis at a rate not less than \$27.63 per hour.

Employee Paid on a Salary Basis: employees that regularly receive a predetermined amount of compensation each pay period on a weekly, or less frequent, basis such that this predetermined amount cannot be reduced because of variations in the quality or quantity of the employee's work.

Policy

FLSA Safe Harbor Policy

Under the FLSA, some employees at Drake University are classified as exempt employees as they are exempt from the minimum wage and overtime requirements of the FLSA and are paid on a salary basis. Employees paid on a "salary basis" will regularly receive a predetermined amount of compensation each pay period on a weekly, or less frequent, basis and this 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 employer makes deductions from an employee's predetermined salary, (i.e., because of the operating requirements of the business), that employee is not an employee 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.

Deductions from Pay

Deductions from pay are permissible under the following circumstances:

1. When an exempt employee is absent from work for one or more full days for:
 - personal reasons other than sickness or disability;
 - absences of 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; to offset amounts employees receive as jury or witness fees, or for military pay;
 - unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.
2. During the initial or terminal week of employment;
3. When penalties are imposed in good faith for infractions of safety rules of major significance, or
4. During 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.

Drake University prohibits supervisors from making any improper deductions from the salaries of exempt employees. The University wants its employees to be aware of this policy and to know that Drake does not allow deductions that violate the FLSA. If an employee believes that an improper deduction has been made to their salary, they should immediately report this information to their direct supervisor or to the Director of Human Resources.

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

Last Review Date: January 2021

Effective Date: July 2016