Fair Labor Standards Act Salary Basis Policy

It is the policy of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_County Road Commission to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA) for its FLSA-exempt employees. Being paid on a “salary basis” means an employee regularly receives a predetermined amount of compensation each pay period. The predetermined amount cannot be reduced because of variations in the quality or quantity of the employee’s work. Subject to the exceptions listed below, an FLSA-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.

Deductions from pay are permissible:

* For absences 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 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;
* For penalties imposed in good faith for infractions of safety rules of major significance; or,
* For unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

Also, the Road Commission is not required to pay the full salary in the initial or terminal week of employment or for weeks in which an FLSA-exempt employee takes unpaid leave under the Family and Medical Leave Act (FMLA). In these circumstances, either partial day or full day deductions may be made. The Road Commission has established a practice pursuant to principles of public accountability, and permissible under the FLSA, under which an employee’s pay may be reduced for absences for personal reasons or because of an illness or injury of less than one full work day when accrued leave is not used by the employee because permission for its use has not been sought or has been sought or denied, accrued leave has been exhausted, or the employee chooses to use leave without pay.

If an employee believes that an improper deduction has been made to his or her salary, that employee should immediately report this information to the Road Commission’s Managing Director. 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 made by the Road Commission.