

EMPLOYEE RIGHTS

UNDER THE FAIR LABOR STANDARDS ACT

PERMISSIBLE SALARY DEDUCTIONS FROM THE PAY OF EXEMPT EMPLOYEES

The Commonwealth of Pennsylvania is required to comply with the federal Fair Labor Standards Act (FLSA) and the U.S. Department of Labor's regulations and rules governing the salary basis pay for 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 exempt employee must receive his or her full salary for any workweek in which the employee performs any work, regardless of the number of days or hours they work in a given workweek. Therefore, the Commonwealth of Pennsylvania prohibits any unauthorized deductions from the salary of such exempt employees. Questions concerning whether an employee is exempt should be directed to the employee's office of human resources.

Permissible Deductions

Deductions from the salary of an exempt, salaried employee are permitted as follows:

- 1. Personal Reasons.** When an exempt, salaried employee who is absent from work for personal reasons, other than sickness or disability, has no paid leave available, the employee's salary for that week will be reduced for each hour (or fraction of an hour) that the employee is absent for personal reasons.
- 2. Sickness or Disability.** When an exempt, salaried employee is absent from work as a result of his or her own sickness or disability, including absences as a result of a work-related accident or injury, the employee will be compensated in accordance with the Commonwealth of Pennsylvania's sick leave, disability or workers compensation policies, as appropriate. If the employee has no leave available and is not eligible for disability benefits, the employee's salary for that week will be reduced for each hour (or fraction of an hour) that the employee is absent due to illness.
- 3. First and Last Weeks of Employment.** During an exempt, salaried employee's first and last weeks of employment with the Commonwealth of Pennsylvania, the employee will be paid only for the days actually worked.
- 4. Unpaid FMLA Leave.** When an exempt, salaried employee takes unpaid leave under the Family and Medical Leave Act, including intermittent leave, the employee's salary will be reduced for each hour (or fraction of an hour) of unpaid leave taken.
- 5. Suspensions for Major Safety Rule Violations.** When an exempt, salaried employee is suspended for violation of safety rules of major significance, the employee's salary will be reduced for each hour (or fraction of an hour) of the length of the suspension.
- 6. Suspensions for Workplace Conduct Violations.** When an exempt, salaried employee is suspended for one or more full days for violation of one or more of the Commonwealth of Pennsylvania's workplace conduct rules, the employee's salary will be reduced for each day of the suspension. Workplace conduct rules do not include issues with an employee's job performance or attendance.

This policy addresses pay deductions from exempt, salaried employees based on the employee's absence from work. The following salary deductions are not covered by this policy: deductions required by federal, state and local laws; deductions under the Commonwealth of Pennsylvania's benefit plans; and any other voluntary deductions authorized by the employee.

Complaint Procedure

If you are an exempt, salaried employee and you believe that an improper deduction has been made from your salary, you should immediately report this information to your direct supervisor or to your office of human resources, who will provide you with a complaint form to be utilized to document the complaint. The Commonwealth of Pennsylvania is committed to investigating and resolving all complaints as promptly, but also as accurately, as possible. All complaints will be investigated and resolved within a reasonable period of time. If the investigation reveals that an improper deduction from your pay was made, the Commonwealth of Pennsylvania will reimburse you for the improper deduction and will take whatever action it deems necessary to ensure compliance with the salary basis rules. Retaliation against an employee for making a complaint under this policy is strictly prohibited.