



## **EXEMPT EMPLOYEE PAY POLICY**

*For the purpose of policy interpretation, Mcmillan Memorial Library employees are considered both employees of the Library as well as employees of the City of Wisconsin Rapids. Policy wording may include either references to "City" employees or "Library" employees, both of which apply if approved by the McMillan Memorial Library Board.*

### **Purpose:**

To provide information to exempt employees regarding FLSA rules governing their pay.

### **Policy:**

In accordance with the Fair Labor Standards Act regulations, exempt employees who are required to be paid on a salary basis may not have their pay reduced for variations in the quantity or quality of work performed. Employees who feel their pay has been improperly reduced should report this immediately following the procedures specified below.

### Provisions Mandated by the Salary Basis Rules

Exempt employees normally must receive their full salary for any week in which they perform any work, without regard to the number of days or hours worked. However, exempt employees need not be paid for any workweek in which they perform NO work at all for the organization.

Deductions from pay cannot be made as a result of absences due to the circumstances listed below. Such improper pay deductions are therefore specifically prohibited by the City of Wisconsin Rapids regardless of the circumstances. Managers or supervisors violating this policy will be subject to investigation of their pay practices and appropriate corrective action in accordance with normal procedures.

1. Jury duty.
2. Attendance as a witness.
3. Temporary military leave.
4. Absences caused by the employer.
5. Absences caused by the operating requirements of the business.
6. Partial day amounts other than those specifically discussed below.

The few exceptions to the requirement to pay exempt employees on a salary basis are listed below. In these cases deductions may be permissible as long as they are consistent with other City policies and practices.

1. Absences of one or more full days for personal reasons other than sickness or disability (partial days must be paid).
2. Absences of one or more full days due to sickness or disability. If the employee is not yet eligible for the sick leave or has exhausted his or her other paid leave benefits.
3. Fees received by the employee for jury or witness duty or military leave may be applied to offset the pay otherwise due to the employee for the week. No deductions can be made for failure to work for these reasons, however.
4. Penalties imposed by infractions of safety rules of major significance.
5. Unpaid disciplinary suspensions of one or more weeks in accordance with City of Wisconsin Rapids' disciplinary policy.
6. Deductions for the first and last week of employment, when only part of the week is worked by the employee, as long as this practice is consistently applied to all exempt employees in the same circumstances.
7. Deductions for unpaid leave taken in accordance with a legitimate absence under the Family and Medical Leave Act.

Complaint Procedure:

1. Employees who believe their pay has been improperly reduced should contact the Human Resources Manager or the Finance Director immediately to request an investigation.
2. The employee will be asked to specify in writing, using the guidance above, the circumstances of the pay deduction and whether it has occurred on other occasions.
3. The City of Wisconsin Rapids will review pay records and interview the appropriate supervisor or manager, as well as the payroll representatives handling the employee's pay, to determine if the allegation is correct.
4. If the deduction was in fact improper, the City will reimburse the employee as promptly as possible (but in no case longer than two pay periods from the identification of the problem).
5. The individual(s) responsible for the error will be investigated further to determine if this was an isolated incident or a pattern of conduct that requires further action on the part of the City. If warranted, the responsible person(s) will be held accountable for the error(s) made consistent with City disciplinary policy.

6. The resolution of the situation will be documented (including confirmation on the part of the employee that the situation has been resolved) and placed with the employee's pay records.
7. Following the identification of such a problem, the City will establish a practice to regularly audit employee pay records to ensure no further issues arise.

Adopted by the McMillan Memorial Library Board of Trustees, June 19, 2024.