SAMPLE FLSA SAFE HARBOR POLICY

Deductions From Exempt Employees’ Salaries

Exempt employees work as few or as many hours as needed to get the job done. So, subject to the exceptions below, the Company does not reduce exempt employee’s predetermined compensation for: any partial-day absence (other than intermittent or reduced schedule FML); any partial-workweek absence occasioned by the Company or its operating requirements, including holidays and partial-workweek shutdowns; or because of variations in the quality of work performed.

Deductions from salary may occur for:

1) Full-day absences for personal reasons, other than sickness or disability in accordance with Company policies.
2) Full-day absences due to the employee’s own sickness or injury (including work-related injuries and FMLA-related absences), with deductions made in accordance with Company paid time off plans and state worker’s compensation regulations.
3) A full-day suspension imposed for infraction of a safety rule of major significance.
4) Full-day absences for unpaid discipline suspensions under the Company’s discipline policy for infractions of its workplace conduct rules.
5) When no work is performed in a workweek.

NOTE: Attendance and discipline policies are applicable to an absence even if the absence does not result in a deduction from salary.

Employees must use paid time off benefits for partial-day absences for personal reasons or the employee’s own illness or injury per applicable policies, but the Company will not reduce an exempt employee’s pay for a partial day absence if paid time off benefits have been exhausted.

Exempt employees who believe their salary has been improperly reduced should report the concern in writing immediately to [insert]. The Company will reimburse an employee for an improper deduction. The Company is committed to complying, and expects all supervisors and managers to comply, with this policy and not to make improper deductions from salary.

Courtesy Of
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