

**Subject:** Exempt and Non-Exempt Employee Pay

**Application:** All employees

It is our policy and practice at WLS to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure that you are paid properly for all time worked and that no improper deductions are made, you must record correctly all work time and review your paychecks promptly to identify and to report all errors.

We make every effort to ensure our employees are paid correctly. Occasionally, however, inadvertent errors can occur. When errors do occur and are called to our attention, instructions to rectify the matter will be given and we will promptly make the necessary corrections. Please review your pay information regularly to make sure it is correct. If you believe an error has occurred or if you have any questions, please use the reporting procedure outlined below.

If you are classified as a non-exempt employee, you must maintain a record of the total hours you work each day. These hours must be recorded accurately on a timesheet. Each employee must sign his/her own timesheet to verify the reported hours worked are complete and accurate. Your timesheet must reflect all regular and overtime hours worked, any absences, late arrivals, early departures and meal breaks. At the end of each pay period, you should submit your completed timesheet to your supervisor for verification and approval. Review each paycheck to verify that you were paid correctly for all regular and overtime hours worked in each week.

Unless you are given permission by your supervisor, a non-exempt employee should not work any hours that are not authorized. Do not start work early, finish work late, work during a meal break or perform any other extra overtime work unless you are authorized to do so and that time is recorded on your timesheet. Employees are not to “make up time” unless it is approved in advance by your supervisor. “Making up time” means working more hours on one day to cover hours not completed on previously scheduled day. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to termination of employment.

It is a violation of WLS for any employee to falsify a timesheet, or to alter another employee’s timesheet. It is also a serious violation of WLS policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked. If any manager or employee instructs you to either incorrectly or falsely underreport or over-report your hours worked; or alter another employee’s timesheet to inaccurately or falsely report that employee’s hours worked, you should report it immediately to the Director.

If you are classified as an exempt salaried employee, you will receive a salary that is intended to compensate you for all hours you may work for WLS. This salary is established at the time of hire or when you become classified as an exempt employee.

While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that generally will not be subject to deductions for variations in the quantity or quality of the work you perform. However, exempt employees need not be paid for any workweek in which they perform no work at all for the organization. Exempt employees will record their time and submit their completed timesheet to their supervisor.

Under federal and state law, an exempt employee's salary is subject to certain deductions. For example, absent contrary state law requirements, your salary can be reduced for the following reasons: full day absences for personal reasons, sickness or disability; full day disciplinary suspensions for infractions of our written policies and procedures; Family and Medical Leave absences (either full or partial day absences); to offset amounts received as payment for jury and witness fees or military pay; and the first or last week of employment in the event you work less than a full week.

An exempt employee's salary may also be reduced for certain types of deductions for employee benefits, such as health benefits; state, federal or local taxes, social security; or voluntary contributions to a 403b or pension plan. In any workweek in which you performed any work, your salary will not be reduced for any of the following reasons: partial day absences for personal reasons, sickness or disability; absence on the day before or after a paid holiday or because the facility is closed on a scheduled workday; absence for jury duty attendance as a witness, or military leave in any week in which you have performed any work; or any other deductions prohibited by state or federal law.

However, please note that it is not an improper deduction to reduce an employee's accrued vacation, personal or other forms of paid time off for full or partial day absences for personal reasons sickness or disability.

If you have any questions about deductions from your pay, please immediately contact the Controller and/or Personnel Clerk. All requests should detail the circumstances of the pay deduction and whether it has occurred on other occasions. If you believe you have been subject to improper deductions or your pay does not accurately reflect hours worked, you should immediately report the matter.

Every claim will be fully investigated and if the deduction was in fact improper, WLS will reimburse the employee as promptly as possible. In addition, WLS will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in WLS's investigation of such reports. Retaliation is unacceptable, and any form of retaliation of this policy will result in disciplinary action, up to termination of employment.

*This policy was approved by the WLS Board of Trustees at their 1/30/2007 Meeting and is to be reviewed annually.*