



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 1 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

Exempt and Non-Exempt (hourly) Positions

1. *Purpose*

The purpose of this standard of operating procedure is for a clear understanding of the difference between the classifications for Exempt and Non-Exempt (hourly) positions. The following are the guidelines that need to be followed for payroll purposes.

2. *Scope*

- Employee
- Supervisor
- Human Resources Department

3. *Prerequisites*

- Job Description

4. *Responsibilities*

- HR department
- Director/Manager
- President

5. *Procedure*

- Every position within Western Technical College must be defined as to be either an Exempt or Non-Exempt position in compliance with the definitions outlined by the Department of Labor. Each determination is based on the specific job duties performed and compensation received.
- The FLSA requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek.



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 2 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

- **Rights of Exempt employees.** An exempt employee has virtually "no rights at all" under the FLSA overtime rules. About all an exempt employee is entitled to under the FLSA is to receive the full amount of the base salary in any work period during which s/he performs any work (less any permissible deductions). Nothing in the FLSA prohibits an employer from requiring exempt employees to "punch a clock," or work a particular schedule, or "make up" time lost due to absences. Nor does the FLSA limit the amount of work time an employer may require or expect from any employee, on any schedule. ("Mandatory overtime" is not restricted by the FLSA.)
- **Rights of Non-Exempt Employees-** Non-Exempt employees are entitled under the FLSA to time and one-half their "regular rate" of pay for each hour they actually work over the applicable FLSA overtime threshold in the applicable FLSA work period.
- Non-exempt positions will complete a timecard on a daily basis, and must be submitted to their Supervisor, biweekly, by the end of day of their last working day of the week.
- An Employee must require approval for any overtime, before working it. Whenever any overtime is worked, it is WTC's policy to do the following:
 - a) Comp time
 - b) Pay overtime at 1.5 time the regular salary

In order to receive any of the above, an employee must have **worked** a complete 40 hour schedule within a work week (Holidays, PTO and Sick Time are paid time but are not considered worked time).

- Whenever an employee is absent, and **is** eligible for paid PTO or Sick Time, and works any approved hours above schedule, the options will be: 1) Comp time, 2) Subtract the worked hours from the PTO/Sick Time, 3) Pay worked time at regular rate.
- Whenever an Employee is absent and **is not** eligible for paid PTO or Sick Time, and works any approved hours above schedule, the options will be: 1) Comp time.
- Whenever there is a Holiday, and the employee works any approved hours above schedule, the options will be: 1) Comp time or 2) Pay worked time at regular rate.
- Any Comp time must be granted within the same working week.



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 3 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

EXEMPT POSITIONS:

- To qualify for exemption, employees generally must meet certain tests regarding their job duties and be paid on a salary basis at not less than \$455 per week. Job titles do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the Department's regulations.
- With few exceptions, to be exempt an employee must (a) be paid at least \$23,600 per year (\$455 per week), and (b) be paid on a salary basis, and also (c) perform exempt job duties. These requirements are outlined in the FLSA Regulations (promulgated by the U.S. Department of Labor). Most employees must meet all three "tests" to be exempt. An exempt position:
 - is directly related to the management of his or her employer's business, or
 - is directly related to the general business operations of his or her employer or the employer's clients, or
 - requires specialized academic training for entry into a professional field, or
 - is in the computer field, or
 - is making sales away from his or her employer's place of business, or
 - is in a recognized field of artistic or creative endeavor.
 - FLSA Section 13(a)(17) exempts hourly paid employees who perform certain types of work in the computer field if they are paid at a rate of not less than \$27.63 per hour.
- For a position to be considered as an Exempt position, one of the following criteria must be met:
 - a) **Executive Exemption-** To qualify for the executive employee exemption, all of the following tests must be met:
 1. The employee must be compensated on a salary basis (as defined in the regulations) at a rate not less than \$455 per week;
 2. The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
 3. The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
 4. The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 4 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

In addition, the supervisory employee must have "management" as the "primary duty" of the job. The FLSA Regulations contain a list of typical management duties. These include (in addition to supervision):

- interviewing, selecting, and training employees;
- setting rates of pay and hours of work;
- maintaining production or sales records (beyond the merely clerical);
- appraising productivity; handling employee grievances or complaints, or disciplining employees;
- determining work techniques;
- planning the work;
- apportioning work among employees;
- determining the types of equipment to be used in performing work, or materials needed;
- planning budgets for work;
- monitoring work for legal or regulatory compliance;
- providing for safety and security of the workplace.

b) **Administrative Exemptions**- The job duties of the traditional "learned professions" are exempt. To qualify for the administrative employee exemption, all of the following tests must be met:

1. The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
2. The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
3. The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.
4. The administrative exemption is designed for relatively high-level employees whose main job is to "keep the business running." A useful rule of thumb is to distinguish administrative employees from "operational" or "production" employees. Employees who make what the business sells are not administrative employees. Administrative employees provide "support" to the operational or production employees. They are "staff" rather than "line" employees. Examples of administrative functions include labor relations and personnel (human resources employees), payroll and finance (including budgeting and benefits management), records maintenance, accounting and tax, marketing and advertising (as differentiated from direct sales), quality control, public relations (including shareholder or investment relations, and government relations), legal and



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 5 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

regulatory compliance, and some computer-related jobs (such as network, internet and database administration)

c) **Professional Exemption-** To qualify for the **learned professional** employee exemption, all of the following tests must be met:

1. The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
2. The employee's primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment;
3. The advanced knowledge must be in a field of science or learning; and
4. The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.
5. To qualify for the **creative professional** employee exemption, all of the following tests must be met:
6. The employee's primary duty must be the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor.
7. These include lawyers, doctors, dentists, teachers, architects, clergy. Also included are registered nurses (but not LPNs), accountants (but not bookkeepers), engineers (who have engineering degrees or the equivalent and perform work of the sort usually performed by licensed professional engineers), actuaries, scientists (but not technicians), pharmacists, and other employees who perform work requiring "advanced knowledge" similar to that historically associated with the traditional learned professions. Professionally exempt work means work which is predominantly intellectual, requires specialized education, and involves the exercise of discretion and judgment. Professionally exempt workers must have education beyond high school, and usually beyond college, in fields that are distinguished from (more "academic" than) the mechanical arts or skilled trades.

d) **Computer Employee Exemption-** To qualify for the computer employee exemption, the following tests must be met:

- The employee must be compensated **either** on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week **or**, if compensated on an hourly basis, at a rate not less than \$27.63 an hour;



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 6 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

- The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below;
- The employee's primary duty must consist of: a) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications; b) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications; c) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or d) A combination of the aforementioned duties, the performance of which requires the same level of skills.

6. References

- Job Description
- http://www.dol.gov/whd/regs/compliance/fairpay/fs17a_overview.pdf
- Employee Handbook-Employment and Pay Policies

7. Definitions

FLSA Fair Labor Standards Act
Exempt Position exempt from being paid overtime

8. Attachments

- a) WTC's Exempt, Non-Exempt (hourly) positions.
- b) Permissible deductions to Exempt employees



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 7 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

- Exempt, Non-Exempt and Hourly Positions:

Exempt-Salary		
Academic Dean	Data/Web Coordinator	Network Administrator
Accountant	Career Services Representative	Night Manager
Administrative Officer	Chief Executive Officer	President
Admissions Director	Executive VP/Campus Director	Program Director
Assistant Director of Admissions	HR Director	Senior Accounting Auditor
Assistant Campus Director	Human Resources Rep.	Student Academic Support Coord.
Assistant Program Director	HR/Payroll Coordinator	Student Loan Advisor
Business Office Manager	Instructor	Students Financial Services Director
Chief Administrative Officer	Internship Coordinator	Tool Room Supervisor
Career Services Director	IT Director	
Controller	Military Liaison	

Non-Exempt-Salary		
Accounts Payable Coordinator	Librarian	Student Financial Services Coord.
Administrative Assistant	Librarian Assistant	Student Financial Funding Officer
Administrative Secretary	Maintenance Technician	Student Financial Services Assistant
Admissions Administrative Assistant	Matco Store Manager	Student Financial Services Specialist
Admissions Representative	Purchasing Coordinator	Student Loan Advisor Assistant
Assistant Accounting Auditor	Receptionist	Student retention Specialist
Career Services Assistant	Refund Coordinator	Student Services Coordinator
High School Recruiter	Registrar	Tool Room Attendant
Lab Assistant	Student Accounts Coord.	VA Certifying Official

Non Exempt-Hourly

All Part Time Students hired: Shop Cleaner, Tool Room Att. And Welding Helper, etc.

Exempt-Hourly

All Adjunct Faculty



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 8 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

- Permissible deductions to Exempt FT Employees

Status	Reason	Condition	Dock Salary?	Comments:
Exempt (Full Time)	Sickness or Disability	Partial Day	No	Will be required to use leave time. If leave is exhausted or has not become effective yet, no reduction in pay is allowed.
		Full Day	Yes	Will be required to use leave time. If leave is exhausted or has not become effective yet, a full day reduction in pay is allowed.
		Partial Week	Yes	Will be required to use leave time. If leave is exhausted or has not become effective yet, reduction in pay is allowed for each full day.
		Full Week	Yes	Will be required to use leave time. If leave is exhausted or has not become effective yet, a full week reduction in pay is allowed.
	Personal	Partial Day	No	Will be required to use leave time. If leave is exhausted or has not become effective yet, no reduction in pay is allowed.
		Full Day	Yes	Will be required to use leave time. If leave is exhausted or has not become effective yet, a full day reduction in pay is allowed.
		Partial Week	Yes	Will be required to use leave time. If leave is exhausted or has not become effective yet, a full day reduction in pay is allowed.
		Full Week	Yes	Will be required to use leave time. If leave is exhausted or has not become effective yet, a full week reduction in pay is allowed.
	Holiday	Day/s	No	No reduction in pay is allowed (even before completing 60 days of Introductory Period).
	School Vacation Period	Full Week	Yes	A full week reduction in pay is allowed.
		Partial Week	No	No reduction in pay is allowed.



Western
Technical
College

SOP #: 240011

Revision #: 2

Implementation Date: 04/2012

Page #: 9 of 9

Last Reviewed/
Update Date: 02/05/2015

SOP Owner: Human Resources

Approval:

- Permissible deductions to Exempt PT Employees

Status	Reason	Condition	Dock Salary?	Comments:
Exempt (Part Time)	Sickness or Disability	Partial Day	No	No reduction in pay is allowed.
		Full Day	No	No reduction in pay is allowed.
		Partial Week	No	No reduction in pay is allowed.
		Full Week	Yes	A full week reduction in pay is allowed.
	Personal	Partial Day	No	No reduction in pay is allowed.
		Full Day	Yes	A full day reduction in pay is allowed.
		Partial Week	Yes	A full day reduction in pay is allowed.
		Full Week	Yes	A full week reduction in pay is allowed.
	Holiday	Day/s	No	No reduction in pay is allowed (even before completing 60 days of Introductory Period).
	School Vacation Period	Full Week	Yes	A full week reduction in pay is allowed.
Partial Week		No	No reduction in pay is allowed.	