

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 0620-09-60 LGL 2009-15
TITLE: <b>FLSA EXEMPT DEDUCTIONS</b> EFFECTIVE DATE: February 19, 2009 REVISION EFFECTIVE DATE: N/A	

## 1.0 GENERAL

- 1.1 The City of Spokane is regulated by the Fair Labor Standards Act (FLSA), a federal law which 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 forty (40) hours in a workweek. On August 23, 2004, revised Fair Labor Standards Act requirements took effect, redefining the criteria that establish what positions are covered by the FLSA and what positions are "exempt" from it.

The City of Spokane is also regulated by the State of Washington's Minimum Wage Act and the City's collective bargaining agreements.

This policy states the circumstances under which deductions may be made from the salaries of exempt employees and also establishes a procedure for handling complaints of improper pay deductions.

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## 2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy applies to salaried (FLSA exempt) employees in all City divisions and departments.

### 3.0 REFERENCES

29 U.S.C. Chapter 8 – Fair Labor Standards Act  
29 C.F.R. Part 553  
Chapter 49.46 RCW - Washington State Minimum Wage Act  
WAC 296-128-500 through 533  
Collective Bargaining Agreements

### 4.0 DEFINITIONS

- 4.1 “Deduction” means any portion of salary that is withheld by the City of Spokane for hours not worked by the employee. A deduction for purposes of this policy does not include amounts normally withheld for taxes and benefits.
- 4.2 “FLSA Exempt” means a position is considered “salaried” or “exempt” from the overtime regulations of the FLSA.
- 4.3 “Leave Slip” means a document completed by employees when requesting approval for leave.
- 4.4 “Salary Basis” means a predetermined monetary amount (salary) that the employee regularly receives for each pay period of one (1) week or longer consisting of all or part of the employee’s compensation. The salary shall not be subject to deductions because of variations in the quantity or quality of the work performed, except as provided by law. The salary amount can not be less than the amount required in WAC 296-128-510, WAC 296-128-520, and WAC 296-128-530. The pay period can not exceed one (1) month.
- 4.5 “Time Sheet” means a document completed by employees at the end of a payroll period that records work and leave hours.

### 5.0 POLICY

- 5.1 The City of Spokane complies with the salary basis requirements of the FLSA and the State of Washington’s Minimum Wage Act and all regulations pursuant to these Acts and subsequent amendments.
- 5.2 Criteria for a position to be considered FLSA Exempt
  - 5.2.1 For a position to be considered “salaried” or “exempt” from the overtime regulations of the FLSA, the position’s salary level and job duties must meet criteria established by the regulations. These

criteria are referred to as the "salary basis" and "duties" tests, respectively.

5.2.2 In brief, all the following requirements must be met for a position to be exempt from the FLSA:

- a. The employee must be paid on a salary basis;
- b. The employee must be paid at least four hundred fifty five dollars (\$455.00) per week regardless of the percent of time worked (The State of Washington's requirement is two hundred fifty dollars (\$250.00) per week);
- c. The position's job duties must meet the duties tests as required for one (1) of the exemption categories.

5.3 All deductions made from the wages of FLSA exempt/salaried employees shall be as permitted by federal and state regulations. Improper deductions from the salaries of FLSA exempt employees are prohibited.

5.4 All salaried /FLSA exempt employees shall be notified of this policy.

5.5 The Human Resources Department is responsible for determining the FLSA status of positions when they are newly created or revised and for conducting periodic audits of salaried employees' job descriptions. The Human Resources Department has final City authority to determine a position's FLSA status.

## 6.0 PROCEDURE

6.1 If an employee has accrued paid leave available, the City may make deductions as appropriate in any increment (except for industrial injury/disability).

6.2 If accrued paid leave is not available, the circumstances in which the City may make deductions from pay for less than a full week are:

6.2.1 During the first and final weeks of employment, pay may be prorated for actual time worked.

6.2.2 Disciplinary suspensions as a result of safety violations.

6.2.3 Accrued leave has been exhausted.

6.2.4 Budget required furloughs.

6.2.5 Intermittent Family and Medical Leave.

6.2 Complaint procedures:

6.2.1 Salaried employees should immediately inform their immediate supervisor if there is concern that an improper salary deduction has been made.

6.2.2 If the complaint has not been resolved by the supervisor within ten (10) working days of the complaint having been brought to his or her attention, or if for any reason the employee is uncomfortable discussing this issue with the supervisor, the employee may submit the complaint to his or her department's Human Resources Specialist.

6.2.3 If the issue is not resolved within five (5) working days of having brought it to the Human Resources Specialists attention, the employee should immediately report this to the Human Resources Director, Fourth Floor City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington 99201-3327. Phone (509) 625-6244.

6.2.4 Reports of improper deductions shall be promptly investigated. If it is determined that an improper deduction has occurred, the employee shall be promptly reimbursed.

7.0 RESPONSIBILITIES

The Human Resources Department in cooperation with the Accounting Department shall administer this policy.


8.0 APPENDICES

None

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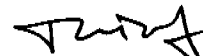
APPROVED BY:

  
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City Attorney (Asst)

  
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Human Resources Director

  
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Accounting Director

February 4, 2009  
\_\_\_\_\_  
City Administrator Date

  
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Date City Administrator