

## 2.08 Safe Harbor

McPherson College complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). The College prohibits any improper deductions from the salaries of exempt employees. Exempt employees are those employed in a bona fide executive, administrative, or professional capacity and who are exempt from the FLSA's overtime pay requirements.

### **Permitted Deductions**

There are certain circumstances where deductions from the salaries of exempt employees are permissible. Such circumstances include:

- An exempt employee is absent from work for one or more full days for personal reasons other than sickness or disability;
- An exempt employee is absent from work for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice of providing compensation for salary lost due to illness;
- To offset amounts employees receive as jury or witness fees, or for military pay; or
- For unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

Also, an employer is not required to pay the full salary in the initial or terminal week of employment; for penalties imposed in good faith for infractions of safety rules of major significance, or for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act. In these circumstances, either partial day or full day deductions may be made.

### **What To Do If An Improper Deduction Occurs**

If you are an exempt employee and you believe that an improper deduction has been made to your salary, you should immediately report this information to your direct supervisor, or to the Human Resources department.

Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.