



## Texas Christian University Policy

**Policy Number:** 5.010

**Subject:** Fair Labor Standards Act Salary Policy

**Effective Date:** August 23, 2004

**Revised:**

### I. Purpose

It is the intent of Texas Christian University to clarify the definition of employment classifications so that employees understand their employment status and benefits eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will, at any time and for any reason, is retained by both the employee and the University.

### II. Procedures

1. **Exempt and Nonexempt** - Each employee is designated as either nonexempt (hourly) or exempt (salaried) with respect to the federal Fair Labor Standards Act and similar state law.
  - Nonexempt employees are entitled to overtime pay (typically, “time-and-a-half”) under the provisions of federal and state law.
  - Exempt employees are exempted from the minimum wage and overtime provisions of federal and state laws.
  - An employee’s exempt or nonexempt classification may be changed only upon written notification by TCU management.
2. **Full-time and Part-time** -In addition to the above exempt or nonexempt categories, each employee will belong to one other set of employment categories:
  - Regular full-time employees are those who are regularly scheduled to work a minimum of 40 hours per week. They are eligible for the TCU benefits package, subject to terms, conditions, and limitations of each benefit plan.
  - Part-time employees are those who are regularly scheduled to work less than 40 hours per week. They are eligible for the TCU benefits package, subject to terms, conditions, and limitations of each benefit plan based on FTE and appointment type. (See the eligibility requirements under these policies.)
3. **Reduction in Pay** – It is the policy of TCU that exempt employees’ pay will not be “docked,” or subject to deductions, in violation of salary pay rules issued by the United States Department of Labor and state government, as applicable;

however, TCU may make deductions from employees' salaries in a way that is permitted under federal and state and hour rules. Employees will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

- Except as listed below, the following are considered improper deductions:
    - Deductions are not permitted for variations in the quality of work.
    - Deductions are not permitted for variations in the quantity of work.
    - Deductions are not permitted for absences created or caused by TCU or by the operating requirements of the University.
    - Deductions are not permitted for partial-day absences (except for FMLA leave and penalties or suspensions for violations of written safety rules of major significance).
  - Employees may be subject to salary deductions, but only for the following reasons:
    - Absences of one or more full days for personal reasons, other than sickness or disability
    - Absences of one or more full days due to sickness or disability, if there is a plan, policy, or practice providing replacement compensation for such absences
    - Absences of one or more full days before eligibility under such a plan, policy, or practice begins, or after replacement compensation for such absences is exhausted
    - Suspensions for violations of written safety rules of major significance
    - Suspensions of one or more full days for violations of written workplace conduct rules, such as rules against sexual harassment and workplace violence
    - Payment of actual time worked in the first and last weeks of employment, resulting in a proportional share of an employee's full weekly salary
    - Any unpaid leave taken under the Family and Medical Leave Act, or
    - Negative paid-time-off balances, in whole-day increments only.
    - Whole workweeks in which an employee performs no work.
    - Offsets to salary limited to fees or pay for jury duty, witness service or military service.
4. **Contact Information – Exempt Employees:** If concerns about any salary pay deductions arise, exempt employees may discuss and resolve them with the Associate Vice Chancellor for Human Resources. The Fair Labor Standards Act, similar state law and University policy prohibit retaliation against an employee for making a truthful complaint with respect to improper pay deductions.

5. **Contact Information – Nonexempt Employees:** Nonexempt employees may discuss and resolve any wage pay and overtime concerns they may have with the Associate Vice Chancellor for Human Resources, as well. The Fair Labor Standards Act, similar state law and University policy prohibit retaliation against an employee for making a truthful complaint regarding wage pay, overtime or related matters.

### **III. Administrative Responsibility**

The Human Resources Department is responsible for administering and interpreting this policy.