

# Policy on Salary Deductions for Exempt Employees

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## I. PURPOSE

The Fair Labor Standards Act prohibits deductions from the wages of salaried exempt employees, except in certain circumstances, which are summarized in Exhibit A to this Policy and described in 29 C.F.R. §541.602 (b). It is the policy of Goucher College to comply with this law.

## II. SCOPE

This policy applies to salaried exempt employees of the College.

## III. STATEMENT OF POLICY

Any employee who believes that Goucher College has made an inappropriate deduction or has failed to make proper payment regarding wages or benefits may file a written complaint with the Director of Human Resources or designee. Within fourteen (14) business days of receiving the complaint, the Director of Human Resources or designee will make a determination as to whether the pay deductions were appropriate and provide the employee with a written response that may include reimbursement for any pay deductions that were not in accordance with law.

## IV. RESPONSIBLE OFFICIAL

Questions should be addressed to [Human Resources](#).

## V. HISTORY

Adopted October 2012.

Updated October 2019.

## Exhibit A

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### **CIRCUMSTANCES IN WHICH THE EMPLOYER MAY MAKE DEDUCTIONS FROM THE SALARY OF EXEMPT EMPLOYEES**

The Fair Labor Standards Act, and implementing regulations, provides that deductions from the salary of exempt employees are permissible:

- A. When the employee is absent from work for one or more full days for personal reasons other than sickness or disability;
- B. When the employee is absent from work for one or more full days due to sickness or disability (including work-related accidents) if the deduction is made in accordance with a bona fide plan, policy, or practice of providing compensation for loss of salary occasioned by such sickness or disability;
- C. To offset amounts employees receive as jury or witness fees, or for military pay;
- D. For penalties imposed in good faith for infractions of safety rules of major significance;
- E. For unpaid disciplinary suspensions of one or more full days imposed in good faith for violations of written workplace conduct rules;
- F. When the employee works only a portion of a week during their initial or terminal week of employment; or
- G. When the employee takes unpaid leave under the Family and Medical Leave Act.