

POLICY ON SALARY DEDUCTIONS FOR EXEMPT EMPLOYEES

The Fair Labor Standards Act prohibits deductions from the wages of salaried employees, except in certain circumstances, which are summarized in Exhibit A to this Policy. It is the policy of Goucher College to comply with this law. 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. Within 14 business days of receiving the complaint, the Director of Human Resources 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.

Exhibit A

Circumstances in Which the Employer May Make Deductions from the Salary of Exempt Employees

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

- 1) When the employee is absent from work for one or more full days for personal reasons other than sickness or disability;
- 2) 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;
- 3) To offset amounts employees receive as jury or witness fees, or for military pay;
- 4) For penalties imposed in good faith for infractions of safety rules of major significance;
- 5) For unpaid disciplinary suspensions of one or more full days imposed in good faith for violations of written workplace conduct rules;
- 6) When the employee works only a portion of a week during his or her initial or terminal week of employment; or
- 7) When the employee takes unpaid leave under the Family and Medical Leave Act.