

**PERMITTED SALARY DEDUCTIONS FOR ABSENCES
AND DISCIPLINE OF CERTAIN EXEMPT EMPLOYEES** *Policy Code: 7560*

The board will comply with the requirements of the Fair Labor Standards Act (FLSA) and applicable state laws and State Board of Education policies. A school employee who is classified as an exempt employee subject to the salary basis requirement of the FLSA must receive the full salary for any workweek in which the employee performs any work, subject to the exceptions listed below. Exempt employees need not be paid for any workweek in which they perform no work.

The board prohibits making improper deductions from the salaries of exempt employees.

A. DEDUCTIONS FROM PAY

The following information applies only to exempt employees subject to the FLSA salary requirements as described in 29 C.F.R Part 541 Subpart G.

- a. The board will make partial or full day deductions from the pay of an exempt employee if: the employee accrues paid leave; the employee is absent for personal reasons or because of illness or injury; and the employee does not use accrued leave because of one of the following reasons Permission for its use has not been sought or has been sought and denied;
- b. Accrued leave has been exhausted; or

The employee chooses to use leave without pay.

2. In addition, the board may make deductions from the pay of an exempt employee in the following circumstances:
 - a. To offset amounts the employee received as jury fees, witness fees, or military pay;
 - b. during the initial or final week of employment;
 - c. for penalties imposed in good faith for infractions of safety rules of major significance; or
 - d. for unpaid disciplinary suspension of one or more full days imposed in good faith for infractions or workplace conduct rules.

B. REPORTING IMPROPER DEDUCTIONS

If an employee believes that an improper deduction has been made to his or her salary, the employee should report this information to his or her direct supervisor as soon as possible. Any supervisor who receives a report of an alleged improper deduction must

notify the payroll department immediately.

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

If the complaining employee is not satisfied with the investigation concerning improper deductions, he or she may file a grievance pursuant to policy 1750/7220, Grievance Procedure for Employees.

Legal References: The Fair Labor Standards Act of 1938, as amended, 29 U.S.C. 201 *et seq.*, 29 C.F.R. Part 541; North Carolina Public Schools Benefits and Employment Policy Manual (N.C. Dept. of Public Instruction, current version), available at <https://www.dpi.nc.gov/districts-schools/districts-schools-support/district-human-capital/employee-policy>

Cross References: Grievance Procedure for Employees (policy 1750/7220), Leave of Absence (policy 7510), Family and Medical Leave (policy 7520), Military Leave (policy 7530), Voluntary Shared Leave (policy 7540)

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