

FOR SUPERVISORS AND MANAGERS

WAGE AND HOUR RULES

This Company strives to maintain strict compliance with the Fair Labor Standards Act (FLSA). The FLSA is a federal law that protects employees from unfair pay practices. Employers and individual managers may be held liable for violating the FLSA. The guidelines below are designed to help you and the Company comply with the FLSA and to ensure that our employees are paid fairly and legally. Failure to follow these rules may subject you to discipline up to termination, and/or legal liability.

As a general rule, non-exempt employees* must receive at least the minimum wage (an amount dictated by federal and/or state law) for all hours of work. They are also entitled to overtime pay (at the rate of 1.5 times their regular hourly rate) for each hour worked in excess of 40 in any given workweek. To ensure compliance with these provisions, the Company requires its supervisors to follow these guidelines:

- Require employees to keep accurate records of their work hours. This can be done manually, with a time clock, electronically, or with any other reliable method.
- Have all employees sign their time records before submitting them to management for processing.
- Do not allow an employee to "punch in/out" for another employee.
- Never alter an employee's time record without having him/her sign authorizing the change. Changes should only be made to correct errors for inaccurate time entries.
- Non-exempt employees must be compensated for all hours of work that management knows of, or has reason to know of, even if the employer did not request or authorize the time or type of work performed. Do not modify time records to delete entries for work that was performed without management's request or authorization, even for work performed against company policy or a specific directive. These types of entries should be addressed as disciplinary matters, not as grounds to deny pay. It is management's duty to prevent employees from performing work if management does not want to pay for it.
This includes entries for:
Unauthorized overtime
Work performed before or after an employee's regular shift
Work performed during a lunch period or other break designated as unpaid
Time spent "catching up" or meeting deadlines, even if it is the employee's fault that the work is not complete
Work performed off-premises or at the employee's home.
- Breaks of 20 minutes or less are compensable and must be counted as hours worked.
- Do not permit employees to work "off-the-clock" (even if they have volunteered to do so) without recording the time as hours worked.
- If an employee is required to travel during his/her regularly scheduled work hours, the travel time is compensable and should be recorded as hours worked. If an employee is required to travel outside of his/her regularly scheduled work hours, he/she must be compensated for time spent driving or actually performing work for the Company (but not for non-working time spent as a passenger on a plane, boat, train, bus, or vehicle).
- Employees should be compensated for time spent at lectures, seminars, training programs, or meetings if attendance is required or if the event is directly related to the employee's job.
- Do not allow employees to take time off ("comp time") in a different workweek in lieu of receiving overtime payments. If an employee works in excess of 40 hours in a given workweek, he/she must receive overtime for that week without regard to hours worked in any other workweek. Do not carry over hours of work from one week to the next to avoid making overtime payments. Note: This may not apply to public employees.
- Do not make deductions from an employee's wages if the resulting amount will be less than the minimum wage for each hour of work. This includes deductions made for cash or inventory shortages, lost or damaged property or company-owned vehicles, disciplinary fines, uniform charges, or other expenses that benefit the employer.
- Advise the Company each time you give an employee a performance-based bonus, perk, or other monetary reward. Depending on the circumstances, these amounts may need to be included in the employee's "base rate of pay" used for calculating overtime and may substantially increase the amount owed for overtime during the workweek of the distribution.
- Do not take adverse action (e.g., demotion or termination) against any employee for making a complaint about a suspected violation of the FLSA.

*The guidelines set forth in this policy apply to "non-exempt" employees only. All employees in the Company are classified as either "salaried/exempt" or "non-exempt." Just because someone is paid on a salary basis does not necessarily mean he/she qualifies as exempt. There are other legal requirements that must be satisfied. It is important for you to know how each employee under your supervision has been classified to ensure proper application of these guidelines. If you are unsure of an employee's status as exempt or non-exempt, ask a member of human resources or another appropriate company representative to clarify.