



Thomas Jefferson University

**Get Smart About Pay
Practices**

NOT A LEVEL PLAYING FIELD

- **Jefferson's Policies (Tailored after Federal Regulations)**
- **Department of Labor (DOL)**
- **Wage & Hour Division**
- **Purpose of the Act/Background**
- **1935 - 1974 - 2004**

Exemptions - Executive

- **Primary Duty; Manage company, recognized department or Major Sub-Division of a recognized department**
- **Customarily and regularly directs the work of 2 or more employees**
- **Authority to hire, fire, promote, demote**
- **Paid on a salaried basis (\$455/wk min)**

“Primary” Duty Defined

- **This is the principal, main, major or most important duty that the EE performs**
- **Must be based on all the facts in a particular case with the major emphasis on the employee’s job as a whole**



Management Defined

- **Mgm't includes "people" responsibilities such as interviewing, selecting, training setting wages and hours of work, planning work and holding others accountable**
- **Mgm't of Employees in specific jobs in a functional department with permanent status**
- **Two or more employees (FTE count)**

Exemptions - Administrative

- **Primary Duty; Work directly related to the management or general operations (assist in the running of the business)**
- **Primary duty includes exercise of *discretion and independent judgment with respect to matters of significance***
- **Paid on a salaried basis (\$455/wk min)**



Administrative Discretion & Independent Judgment

- **Formulates, affects, interprets or implements policies**
- **Carries out major assignments relating to the operation of the business**
- **Authority to commit the employer in matters that have significant financial impact**
- **Authority to waive or deviate from established policies and procedures w/o prior approval**
- **Provides consultation to management**
- **Involved in planning long/short term business objectives**
- **Investigates and resolves matters of significance on behalf of management**

Exemptions - Professional

- **The “Learned” or “Creative”**
 - **Primary duty is work requiring advanced knowledge in a field of science/learning, intellectual in character requiring consistent exercise of discretion & judgment as opposed to routine mental, manual or mechanical work.**
 - **Knowledge acquired by prolonged course of specialized intellectual instruction, not experience**
 - **Paid on a salaried basis (\$455/wk min)**

“Learned” Professional

- **Work in Field of Science or Learning**
 - **Appropriate specialized academic training is prerequisite (good to have certification and/or licensure as a job requirement)**
 - **Qualifying professions include law, medicine, theology, accounting (not book-keeping), actuarial computation, engineering, architecture, teaching, biological sciences, pharmacy**
 - **Not applicable to occupations where employees acquire skills by experience rather than by advanced specialized intellectual instruction**



“Creative” Professional

- **Exemption where primary duty depends on intelligence, diligence and accuracy**
- **Depends on the extent of the invention, imagination, originality or talent exercised by the employee as determined on a case-by-case basis.**
- **Recognized fields include music, writing, acting and the graphic arts such as actors, musicians, writers.**
- **Teachers, Lawyers and Doctors are automatically exempt (no salary requirement)**

Computer Staff

- **Primary duty is application of systems analysis techniques including consultation with users to determine hardware, software or system specifications, and Design, development, documentation, analysis, creation, testing or modification of computer systems or programs**
- **Does not include the manufacture or repair or work dependent upon the use of computers or software programs**
- **Paid on a salaried basis (\$455/wk min) or hourly minimum of \$27.63)**

The Docking of Pay from Exempt Employees

- **A “no-no” for absences of less than a full day unless the absence is associated with FMLA**
- **An exempt employee need not be paid for any work week in which no work is performed**
- **The “message” is: any actions that affect the pay of an exempt employee call Direct Compensation; (Jim Ortlieb, 3-4437 or Carl Sheppard, 3-5316).**



Permissible Deductions - Exempt EEs (Again check with Direct Comp)

- **Absences for one or more full days for personal reasons**
- **Absences for one or more full days for sickness or disability consistent with a bona fide plan**
- **May take deductions from accrued leave accounts**
- **No deduction for jury duty or temporary military leave but can offset**
- **For unpaid disciplinary suspensions of one or more days imposed in “good faith” for workplace conduct rule infractions (2004 changes)**

Additional \$\$ Over and Above Salary Guarantee - Exempt EEs

- **Permitted under specific regulation section ('04 Changes)**
- **Rare instances; Jefferson requires Management approval**
 - **Base salary guarantee is critical**
 - **Straight time using base rate**
 - **Time and one-half using base rate**
 - **An hour threshold requirement option**
 - **Bonuses (or whatever you want)**



What is Compensable Time for Non-Exempt Employees?

- **Basic rule = non-exempt paid for all time “worked”**
- **Non-Productive time counted for O.T. calculations**
- **Hours “suffered or permitted” by the employer must be paid**
- **Examples of “suffered or permitted” (before & after work, lunch, beepers, pagers)**
- **Departmental controls to minimize “suffered or permitted”**



Overtime Payments Non-Exempt Employees

- **40 hours/week (or 8/80 option for health care - TJUH Only)**
- **OT paid in the week actually worked**
- **Time clocks (finally coming to Jeff)**
- **“Yellow” time records (and future records) MUST be exact**
- **Exempt Employees; many options**

Department Communications

- **The 8/80 vs. 40 Hour Option (TJUH & Methodist Only)**
- **Frequently Asked Questions (Department Head Communication)**
 - **#9 & #10; “Compensable” Time**
 - **#11; Exempt or Non-Exempt**
- **Time sheet model**

New Hire Procedures

- **Personnel Authorization Form (PAR) prior to any hiring activity is a good time to “review & assess” the job**
- **Grant Provisions (plan for OT accordingly)**
- **Coordination with Supervisors & Mgr(s) on pay practices**
- **Internal equity & consistency**
- **Consultation with Direct Comp or my office, if applicable**

Recommended Actions

- **Utilize the resources available in Direct Comp (Jim Ortlieb at 3-4437) in the development of accurate job descriptions for all department jobs.**
- **In coordination with Direct Comp, department leadership should review Exempt Administrative Assistant/Executive Assistant/Office Manager job descriptions to confirm “exempt” status.**
- **Accurate Job Descriptions and professional analysis may (or may not) lead to reclassification of current Exempt/Non-Exempt status.**

Recommended Actions (Continued)

- **Direct Comp and department leadership continuously focus on exempt jobs in administrative, lower level technical and professional categories to determine if accurately classified as exempt or non-exempt using current and accurate job descriptions as baseline. Reclassify as necessary.**
- **In the long-term, TJU and JUP are working on an initiative to obtain current and accurate job descriptions for all jobs using our standardized format (available on Pulse) which, in turn, leads to accurate classifications.**