

## *Exempt v. Non-Exempt Employees*

### HUMAN CAPITAL MANAGEMENT SOFTWARE

Kronos Workforce Ready® suite combines the power of workforce management and human capital management in one unified platform to manage your workforce from pre-hire to retire.

### PAYROLL SOLUTIONS

Take the pain out of payroll and get back your business by utilizing Axiom's customized payroll services.

### HUMAN RESOURCE SOLUTIONS

Focus on your business growth and opportunity while reducing your risk. Our dedicated HR team provides top-notch advice in all areas related to your employees.

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The Fair Labor Standards Act (FLSA) requires that most employees in the United States be paid at least federal minimum wage for all hours worked and overtime pay for all hours worked over 40 hours in a workweek.

The FLSA provides certain exemptions from both minimum wage and overtime pay for employees in bona fide executive, administrative, professional, outside sales, certain computer positions and a handful of other jobs specifically address in the FLSA.

To qualify for this exemption, employees generally must meet certain tests regarding their job duties as well as being paid no less than \$455 per week.

Just because an employee went to college or they have a professional sounding title, doesn't mean their position is exempt.

Misclassifying an employee as exempt or enforcing pay policies on exempt employees that don't meet FLSA requirements can be a costly mistake. Often times employers face not only penalties but the liability of back pay.



### DO'S AND DON'TS FOR EXEMPT EMPLOYEES

- Don't track hours for purposes of determining pay.
- Don't base bonuses on extra hours worked.
- Don't deduct from pay for partial day absences.
- Don't deduct from pay for jury duty unless no work has been done the entire week.
- Don't deduct from pay for absences caused by the employer (weather closing, slow sales, etc.).
- Do familiarize yourself with the Fair Labor Standards Act and its guidelines.
- Do regularly update job descriptions and perform the necessary tests to determine the proper exempt or nonexempt status.
- Do adjust policies and procedures to address both exempt and nonexempt employees.

*For more information to determine whether or not an employee is exempt, visit the Department of Labor's Fact Sheet at [https://www.dol.gov/whd/overtime/fs17a\\_overview.pdf](https://www.dol.gov/whd/overtime/fs17a_overview.pdf)*