

PROCEDURE TITLE: JOB AND PAY CLASSIFICATION		POLICY # 8.22	REVIEW DATES	
Topic Area: HUMAN RESOURCES Applies to: LRE Employees Developed and Maintained by: CEO and Designee		ISSUED BY: Chief Executive Officer APPROVED BY: Board of Directors		
Supersedes: N/A		Effective Date: April 19, 2018	Revised Date:	

I. PROCEDURES

- A. All positions will be documented through a job description which accurately and clearly describes the essential functions, job-related qualifications, and physical demands of the job.
- B. All employees will be designated as either nonexempt or exempt under state and federal wage and hour laws and in accordance to Fair Labor Standards Act (FLSA).
 1. **Nonexempt employees** are employees whose positions do not meet FLSA and state exemption tests. They are not exempt from the law's requirements concerning minimum wage and overtime. They are eligible for overtime pay if they work more than 40 hours per week.
 2. **Exempt employees** are generally executives or managers or professional, administrative or outside sales staff who are exempt from the minimum wage and overtime provisions of the FLSA ([FLSA Exemption Fact Sheet](#)). Exempt employees hold jobs that meet the standards and criteria established under the FLSA by the U.S. Department of Labor. Exempt employees are expected to work at least 40 hours per week and are not paid overtime.
- C. All individuals will be appointed to a job classification at the time of hiring, as determined by the LRE and job classifications will be reviewed annually. Changes in status must be reviewed by the Human Resources (HR) and approved by the CEO.
 1. **Regular full-time exempt employees** are paid bi-weekly on a salary basis. All regular full-time exempt employees are expected to work at least 40 hours per week and are not paid overtime. Employees are required to use paid time off benefits for time worked under 40 hours per week. They qualify for all benefits, subject to the benefit eligibility criteria.
 2. **Regular full-time nonexempt employees** are paid bi-weekly on an hourly or salary

basis. These employees are expected to work close to 40 hours per week including paid time off if available. They are eligible for overtime pay if they work more than 40 hours per week. Nonexempt employees are paid overtime at the rate of one and one-half times the regular rate of pay for all hours worked over forty (40) in a workweek.

- Any overtime worked must be authorized by a supervisor in advance. Working unauthorized overtime is not acceptable work performance, and is subject to corrective action, including but not limited to termination. When paid time off, holiday, or jury benefits are paid, the hours do not count as part of the forty (40) hours worked for overtime calculations. They qualify for all benefits, subject to the benefit eligibility criteria.
 - Nonexempt employees must accurately record all time worked, regardless of when and where the work is performed. Off-the-clock work (engaging in work assignments or duties that are not reported as time worked) is prohibited. No member of management may request, require or authorize nonexempt employees to perform work without compensation. Any possible violations should be reported promptly to a supervisor or HR. Failure to record all time worked is grounds for corrective action up to and including termination. The LRE pays nonexempt employees for travel time in accordance with the Fair Labor Standards Act (FLSA).
3. **Regular part-time employees** are not in a temporary status and work on a regular, ongoing basis. They are scheduled to work less than the full-time schedule but at least 20 hours each week unless work volumes require a temporary increase in hours. They are eligible for overtime pay if they work for more than 40 hours per week and are only paid for hours worked. They receive paid time off benefits, prorated based on their part-time classification of hours. They may qualify for other benefits, subject to the benefit eligibility criteria.
 4. **Temporary employees** work for a defined, limited period of time and receive no benefits. They are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. They are paid on an hourly or salary basis, or through a temporary staffing service. Employment beyond any initially stated period does not in any way imply a change in employment status.
 5. **Contractual Employee** is not a regular employee, but one whose compensation and benefits are described by contract (not to be confused with independent contractors).
 6. **Independent Contractor** is a person(s) or entities contracted for services and they will be compensated pursuant to their contract. Contracted parties are not, by virtue of their contract, employees of the LRE. They are not subject to any of the rights or benefits offered to LRE employees. Independent contractors are responsible for making all appropriate tax payments on their own behalf.

7. **Grant Employees** are employees employed as a result of temporary State or Federal Grants. The employment of grant employees ends at the conclusion of their specific grants.
 8. **Student Interns and Volunteers** may be provided opportunities to volunteer or conduct an internship in behavioral healthcare. Community volunteers and student interns/placements do not receive compensation for their services, but may be reimbursed for appropriate expenses according to the policies of the LRE.
- D. The LRE uses a traditional salary structure with moderate midpoint progressions and range widths based on direct market pricing. The pay of individuals within a given salary range will be established based on a number of factors including:
1. Financial ability of LRE to fund
 2. Prior experience
 3. Proficiency
 4. For continuing employees, performance level (e.g. Below Expectations, Meets Expectations, Exceeds Expectations in Some Areas, or Exceeds Expectations in All Areas)
 5. Job duty changes
 6. Job transfers
 7. Marketplace dynamics (supply and demand for the particular profession), if applicable

The compensation philosophy of the LRE is to compensate staff members with a base salary that is market competitive and individually performance based. The LRE will conduct an annual performance appraisal program to consistently and fairly evaluate performance.

- E. The LRE complies with the salary basis requirements for exempt employees as set forth in the applicable state and federal laws and regulations. As such, the salaries of exempt employees will not be subject to improper reductions in violation of the salary basis rules. If any exempt employee believes that his or her salary has been subject to an improper reduction, such employee should immediately report such concern, preferably in writing, to the Human Resources Department. The LRE will promptly investigate any concerns over alleged improper salary reductions. If an inadvertent, improper reduction has been made, the salaried employee will be promptly reimbursed for the amount that was improperly deducted from his or her paycheck.

The salary basis regulations do permit the LRE to reduce an exempt employee's weekly salary under certain qualifying circumstances. Among those times when it is permissible for an exempt, salaried employee's salary to be reduced are for unpaid disciplinary suspensions of one or more full days imposed in good faith for infractions of safety rules of major significance and/or for infractions of major workplace conduct rules that are applicable to all employees. Safety rules of major significance are those

safety rules that pertain to the prevention of serious danger in the workplace or to other employees. Major workplace conduct rules are those that pertain to unlawful harassment/discrimination, workplace violence, alcohol and illegal drugs, and other work rules of major significance. Certain other reductions from the salaries of exempt employees are also permitted under the salary basis regulations.

- F. The LRE is required by federal, state, and certain local laws to withhold certain deductions from employee's paycheck. This includes income and Medicare taxes as well as any other deductions required under law or by court order for wage garnishments. The amount of an individual's tax deductions will depend on their earnings and the number of exemptions listed on their federal Form W-4 and applicable state withholding form. Employees may also authorize voluntary deductions from their paycheck, including contributions for insurance premiums, retirement plans, or other services. Deductions will be reflected on pay statement.
- G. The standard workweek for the LRE will begin at 12:01 a.m. Saturday and end at midnight the following Friday. The designated pay period for all employees is bi-weekly.

