

<b>Policy:</b> Compensation	<b>Policy Number:</b> I-2.1
<b>Policy Owner(s):</b> Human Resources	<b>Original Date:</b> 3/10/2006
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- I. **POLICY:** The University is committed to providing competitive and equitable staff compensation, while complying with applicable federal and state laws. This policy establishes University Staff compensation practices and procedures.
- II. **PURPOSE:** The compensation practices and procedures at the University are designed to attract and retain qualified employees through the use of market-based salary ranges and compensation practices.
- III. **SCOPE:** All Staff Employees of John Carroll University

IV. **DEFINITIONS:**

Exempt Employee: is defined under the Fair Labor Standards Act (FLSA) as an employee holding a *bona fide* executive, administrative or professional position that is not subject to the overtime provisions of the Act. Exempt employees are paid on a salary basis.

External Equity: is the term used to describe comparative salaries paid in the marketplace where the University competes to hire and retain similar types of employees. Human Resources participates in salary surveys in various labor markets to determine competitive pay practices. The University recruits in various markets to fill positions, depending upon the requirements and level of the position.

Fair Labor Standards Act (FLSA): is the federal law and related regulations that prescribe standards for the basic federal minimum wage and overtime pay. It generally requires employers to pay covered Non-exempt Employees at least the federal minimum wage and Overtime pay of 1.5 times their regular hourly rate of pay.

Hours of Work: is defined as a Workday or Workweek during which a Non-exempt Employee is engaged in any type of work-related activity that is conducted on behalf of the University, whether or not controlled or requested by the supervisor or the University.

Internal Equity: is the term used to describe the comparison of salaries paid to employees working in comparable positions within the University (both within the department and University-wide).

Non-exempt Employee: is defined under the FLSA as an employee holding a position that is subject to the provisions of the FLSA. Non-exempt Employees are generally paid on an hourly basis.

Overtime: is defined as time worked by a Non-exempt Employee in excess of 40 hours in any Workweek.

Workday: is defined as the 24-hour period that commences at 12:00 am and concludes at 11:59 pm.

Workweek: is defined as the 168-hour period, encompassing seven (7) consecutive 24-hour periods, which commences on Sunday at 12:00 am and concludes at 11:59 pm the following Saturday.

## **V. PROCEDURES:**

- A. Classification of Positions: There are federal and state laws that regulate wage and hour issues including child labor, minimum wage, Overtime pay and record-keeping. Human Resources is responsible for determining which job classifications and positions are Exempt Employees or Non-exempt Employees under these laws.
1. Exempt Employee status is based on the duties and responsibilities of an individual position, the required educational level and the salary received. Exempt Employees are not entitled to overtime pay or compensatory time for hours worked over 40 in a Workweek.
  2. Non-exempt Employees are entitled to Overtime pay at one and one-half times their "regular hourly rate" for all hours worked in excess of 40 during the Workweek. Regular hourly rate is calculated as the average hourly rate for that pay period. Human Resources must be consulted for all issues involving Overtime calculations that require manual calculation outside the payroll system.
- B. Job Descriptions and Equity Analysis: Job descriptions on file with Human Resources, along with job information collected from supervisors, provide the basic information on each position, including job duties, scope of responsibility, knowledge and skills.
1. To maintain accurate job descriptions, it is important for supervisors and department heads to review descriptions at least annually and notify Human Resources if the content of a position changes significantly. Such changes could consist of added responsibilities, significant changes in the frequency of some tasks, or combining different duties into one particular work assignment.

2. The External Equity market analysis process includes data collection, comparison and analysis of current prevailing salaries of the market for positions recruited, and the supply of applicants with specialized or unique skills. However, in order to attract and retain qualified individuals, adjustments to a salary range may be made by Human Resources in consultation with the Budget Office, if market analysis indicates the need for changes.
3. The University uses an Internal Equity process to internally compare and analyze jobs, one to another, to determine relative value. This process involves an assessment of various job content factors to determine pay levels of jobs within the University.

C. Pay Dates and Direct Deposit:

1. Non-exempt Employees are paid on a bi-weekly basis, with a normal pay date on the Friday immediately following the end of the pay period.
2. Exempt Employees are paid on a monthly basis, with a normal pay date on the last working day of the month within the monthly pay period.
3. If a normal pay date falls on a University holiday, and the University holiday is also a bank holiday (i.e. banks are closed), the pay date will be moved to the preceding bank workday (i.e. banks are open).
4. All employees of the University are required to submit banking information in order for pay to be processed via direct deposit.
5. Any pay discrepancies or other pay irregularities discovered by the employee must be reported to the Payroll Office immediately.
6. The University will correct any discrepancies in pay including timely payment for shortages and recovery for overpayments.
7. The Payroll Office will annually publish a schedule of pay dates for Exempt and Non-exempt Employees.

D. Tax Withholding:

1. The University is required to withhold tax and report taxable income according to the requirements of federal, state, and local government agencies and the Social Security Administration.
  - a. All employees are required to complete appropriate tax withholding forms upon employment by the University.
  - b. Revised tax withholding forms are required whenever the employee's tax status, geographical location of employment, or number of allowable exemptions change.
  - c. Tax withholding forms are available in the Human Resources Department or on the Human Resources webpage at [www.jcu.edu/hr](http://www.jcu.edu/hr).

2. The Payroll Office is responsible for reporting current and year-to-date tax withholding amounts to employees concurrent with each pay.

E. Time and Attendance Records for Non-exempt Employees:

1. As required by law, the University will compensate all Non-exempt Employees for all hours worked. The University will retain, for a minimum of three (3) years, records of the hours worked by Non-exempt Employees.
2. Non-exempt Employees are required to document the hours actually worked (including all overtime hours where applicable) and any leave time taken.
3. Non-exempt employees are required to record their time electronically in Banner Web Time Entry on a daily basis.
4. Electronic time sheets must be submitted by the employee for approval through Banner Web Time Entry before noon on the Monday following the end of the pay period.
5. A manual timecard should only be submitted if the deadline to submit hours has been missed due to rare and extenuating circumstances.
6. Missed hours from a previous pay period must not be added to the employee's current electronic time sheet.
7. The direct supervisor must communicate with the employee to resolve any discrepancies regarding recorded time before any changes are made to an employee's time sheet.
8. Time sheets must be reviewed, approved and submitted by the supervisor before midnight on the Monday following the close of each pay period.
9. Actual hours worked and leave time taken must be recorded accurately. Falsification of time worked or leave time taken by an employee or by the employee's supervisor is a violation of University policy and grounds for corrective action, up to and including termination.

F. Meal Periods for Non-exempt Employees:

1. Full-time Non-exempt Employees are provided an unpaid meal period (normally from 12:00 noon - 1:00 p.m.) each Workday, not to exceed sixty (60) minutes.
2. Supervisors may schedule or alter meal periods to meet operational and coverage needs.
3. Employees are expected not to exceed the scheduled lunch period. Regularly exceeding the time allotted may lead to corrective action.

G. Deductions from Pay:

1. The Payroll Office will only make appropriately authorized payroll deductions and does not permit improper deductions.
2. Exempt and Non-exempt Employees may elect in writing to have voluntary payroll deductions including, but not limited to, the employee portion of health, dental, life insurance and/or other benefit premiums, voluntary contributions to the University retirement plan and University-sponsored donations. In addition, mandatory deductions will be made for state, federal or local taxes.
3. The Payroll Office will deduct amounts for obligations owed to the University such as unpaid fines, personal checks returned for insufficient funds, cash advances and legally imposed levies and garnishments made against the employee's salary.
  - a. Written documentation signed by the employee and authorized by a representative of the University must be submitted to the Payroll Office to support a deduction made for a University obligation.
  - b. Levies and garnishments are withheld and remitted based on applicable laws. If served with a legal instrument for the collection of an employee's debt, the University will comply with all valid court orders and will withhold and remit the appropriate amount as prescribed by law.
  - c. The dollar amount and type of any payroll deduction will be listed on the paycheck stub / direct deposit advice.
4. Questions about any payroll deductions should be directed to the Payroll Office or the Human Resources Department.

H. Leave Reporting for Exempt Employees:

1. Exempt Employees are paid a salary that is a predetermined amount not subject to deductions for variations in the quantity or quality of the work performed.
2. Exempt Employees will receive their full salary for any Workweek in which work is performed, with exceptions for authorized and/or voluntary payroll deductions noted in Section G above.
3. Exempt Employees are required to complete leave reports and use available vacation, sick, or personal time for full or partial day absences for vacation, sickness or personal reasons.
4. If Exempt Employees do not have accrued vacation, sick or personal time, deductions may be taken for Exempt Employees for the following reasons in a Workweek in which work was performed:
  - a. Full day absences for personal reasons, including vacation.

- b. Full day absences for sickness or disability consistent with our sick pay policy or Short-Term Disability Policy.
  - c. Full day disciplinary suspensions for infractions of safety rules of major significance (including those that could cause serious harm to others).
  - d. Family and Medical Leave absences (either full or partial day absences).
  - e. To offset amounts received as payment for jury and witness fees, or for military pay.
  - f. Unpaid disciplinary suspensions of one or more full days for significant infractions of the Corrective Action Policy or investigations requiring administrative leave.
  - g. The first or last week of employment in the event the Employee works less than a full week.
- I. Payroll Discrepancies:
- 1. Employees should verify immediately upon receipt of their paycheck stub/direct deposit advice that the employee was appropriately paid for all hours worked and that deductions taken are accurate.
  - 2. If an employee believes that gross pay or any payroll deductions are inaccurate, the employee is required to contact the Payroll Office or the Human Resources Department immediately.
  - 3. The Payroll Office and/or the Human Resources Department will review the concern, and determine whether gross pay or payroll deductions are accurate. Employees will be reimbursed for any improper paycheck deductions.

**VI. CROSS REFERENCE:**

Compressed Work Schedule Policy

Corrective Action Policy

Flextime Policy

Hours Worked & Overtime Policy