

ATTACHMENT 1

Exempt Employees Guidelines from the Fair Labor Standards Act (FLSA) 235

EXECUTIVE EXEMPTION DECISION CHART

DOES THE EMPLOYEE RECEIVE A WEEKLY SALARY OF MORE THAN \$250?

YES -- Does the employee spent more than 50 percent of his or her time in the management of a permanent sub-division of the department?

NO -- NON EXEMPT

YES- Does the employee supervise two or more full time employees?

NO -- NON EXEMPT

YES -- EXECUTIVE EXEMPTION APPLIES

NO -- Does the employee receive a weekly salary of more than \$155?

NO -- NON EXEMPT

YES- Does the employee spend more than 50 percent of his or her time in the management of a permanent subdivision of the department?

NO -- NON EXEMPT

YES -- Does the employee supervise two or more full time employees?

NO -- NON EXEMPT

YES -- Does the employee spend less than 20 percent of his or her time performing non-exempt work?

NO -- NON EXEMPT

YES -- Does the employee customarily and regularly exercise discretion (as opposed to functioning in a routine manner)?

NO -- NON EXEMPT

YES -- EXECUTIVE EXEMPTION APPLIES

ATTACHMENT 1

Exempt Employees

Guidelines from the Fair Labor Standards Act (FLSA) 240

240 Administration Employees

An employee who meets *either* the "long test" or the "short test" for administrators provided in 29 C.F.R. 541.2 and 541.201 is exempt.

241 Long Test for Administrative Employees

An administrative employee must meet all of the following requirements in order to be exempt from the Fair Labor Standards Act (FLSA) minimum wage and overtime provisions:

(1) *Duties*: Primarily consist of either --

(a) non-manual or office work directly related to management policies or general business operations; or

(b) performance of administrative functions in an educational establishment in work related to academic instruction or training.

(2) *Discretion*: Customarily and regularly exercises discretion and independent judgment.

(3) *Supervision*:

(a) regularly and directly assists a person employed in an executive or administrative capacity; or

(b) performs under only general supervision work requiring special training, experience, or knowledge; or

8 executes special assignments and tasks under only general supervision.

(4) *Work Responsibility*: Does not devote more than 20 percent of work time to activities not directly or closely related to performance of administrative work.

(5) *Compensation*: Is paid not less than \$155 per week exclusive of board, lodging, or other facilities (490).

242 Short Test for Administrative Employees

An administrative employee must meet all of the following requirements to be exempt:

(1) *Compensation*: Is paid at least \$250 per week exclusive of board, lodging, or other facilities (490).

(2) *Duties*: Primarily performance of office or non-manual work directly related to management policies or general business operations, or the performance of functions in the administration of an educational establishment, or a department or subdivision thereof, in work directly related to the academic instruction or training.

(3) *Responsibilities*: Primary duty includes work requiring the exercise of discretion and independent judgment.

NORTHWEST COMMUNITY ACTION, INC.

PERSONNEL POLICIES AND PROCEDURES
REVISED AND UPDATED Effective August 21, 2009

ATTACHMENT 1

Exempt Employees Guidelines from the Fair Labor Standards Act (FLSA)

244

ADMINISTRATIVE EMPLOYEE EXEMPTION DECISION CHART

DOES THE EMPLOYEE RECEIVE A WEEKLY SALARY OR MORE THAN \$250?

YES -- Does the employee spend more than 60 percent of his or her time as an executive assistant, staff employee, or special assignment employee performing office or non-manual work directly related to management policies or general business operations?

NO -- NON EXEMPT

YES-- Does the employee customarily and regularly exercise discretion and independent judgment?

NO -- NON EXEMPT

YES -- ADMINISTRATIVE

EXEMPTION APPLIES

NO -- Does the employee receive a weekly salary or more than \$170?

NO -- NON EXEMPT

YES- Does the employee spend more than 50 percent of his or her time as an executive assistant, staff employee, or special assignment employee performing office or non-manual work directly related to management policies or general business operations?

NO -- NON EXEMPT

YES -- Does the employee customarily and regularly exercise discretion and independent judgment?

NO -- NON EXEMPT

YES -- Does the employee spend less than 20 percent of his or her time performing non-exempt work?

NO -- NON EXEMPT

YES -- ADMINISTRATIVE EXEMPTION APPLIES

ATTACHMENT 1

Exempt Employees Guidelines from the Fair Labor Standards Act (FLSA) 250

250 Professional Employees

An employee who meets *either* the "long test" or the "short test" for professionals specified in 29 C.F.R. 541.3 AND 541.301 is exempt.

251 Long Test for Professional Employees

A professional employee must meet all of the following requirements to be exempt from the Fair Labor Standards Act (FLSA) minimum wage and overtime provisions:

- (1) *Duties*: Primarily work requiring --
 - (a) advanced learning acquired by a prolonged course of specialized intellectual instruction as distinguished from general academic education, apprenticeships, or routine training; or
 - (b) original or creative work depending primarily on invention, imagination, or talent; or 8 teaching, tutoring, instruction, or lecturing for a school system or education institution.
- (2) *Discretion*: Work requiring the consistent exercise of discretion and judgment.
- (3) *Work product*: Predominantly intellectual and varied in character and which cannot be standardized in relation to a given period of time.
- (4) *Work responsibility*: Must devote not more than 20 percent of his or her hours to activities not essential, part of, or necessarily incident to the work.
- (5) *Compensation*: Is paid not less than \$170 per week exclusive of board, lodging, or other facilities (490).

252 Short Test for Professional Employees

A professional employee must meet all of the following requirements to be exempt:

- (1) *Compensation*: Is paid not less than \$250 per week exclusive of board, lodging, or other facilities (490).
- (2) *Duties*: Primarily consist of performing work requiring advanced learning or work as a teacher.
- (3) *Discretion*: Must include work which requires the consistent exercise of discretion and judgment or consist of work requiring invention, imagination, or talent in a recognized field of artistic endeavor.

ATTACHMENT 1

Exempt Employees Guidelines from the Fair Labor Standards Act (FLSA) 254

PROFESSIONAL EMPLOYEE EXEMPTION DECISION CHART

DOES THE EMPLOYEE RECEIVE A WEEKLY SALARY OR MORE THAN \$250?

YES -- Does the employee spend more than 50 percent of his or her time working as a professional in either a learned or artistic profession?

NO -- NON EXEMPT

YES- Does the employee consistently exercise discretion and independent judgment?

NO -- NON EXEMPT

YES -- PROFESSIONAL EXEMPTION

APPLIES

NO -- Does the employee receive a weekly salary or more than \$170?

NO -- NON EXEMPT

YES- Does the employee spend more than 50 percent of his or her time working as a professional in either a learned or artistic profession?

NO -- NON EXEMPT

YES -- Does the employee consistently exercise discretion and independent judgment?

NO -- NON EXEMPT

YES -- Is the employee's work predominantly intellectual and varied rather than routine, manual, mechanical, or physical?

NO -- NON EXEMPT

YES -- Does the employee spend less than 20 percent of his or her time performing non-exempt work?

NO -- NON

EXEMPT

YES --

PROFESSIONAL EXEMPTION

APPLIES