

<b>SUBJECT:</b> Deductions from Salary of Exempt Employees	<b>Effective Date:</b> 12-1-04	<b>Policy Number:</b> 3-003
	<b>Supersedes:</b>	<b>Page Of</b> 1 3
	<b>Responsible Authority:</b> Director of Human Resources	

**APPLICABILITY/ACCOUNTABILITY:**

This policy applies to all exempt employees of the university.

**GENERAL POLICY:**

The University of Central Florida complies with the Fair Labor Standards Act and applicable state law in compensating employees for the work they perform.

**DEFINITIONS:**

**Exempt employee.** An exempt employee, in the context of this policy, is any employee of the university who qualifies for an exemption from the overtime requirements of the Fair Labor Standards Act.

**Fair Labor Standards Act.** The Fair Labor Standards Act (FLSA) is the federal statute that governs the payment of overtime and minimum wage. The FLSA provides for a number of exemptions from overtime, including for professional, administrative, and executive employees who meet certain requirements.

**POLICY STATEMENT:**

Employees who are classified as exempt from the overtime provisions of the FLSA are paid on a salary basis at a rate intended to compensate the employee for all hours worked during the pay period. While the salary may be subject to review and modification from time to time, the salary will be a predetermined amount that will generally not be subject to deductions based on variations in the quantity or quality of the work performed.

The University of Central Florida prohibits improper deductions from pay. The university does not allow deductions from pay that violate the FLSA.

Deductions from pay are permissible under such circumstances as the following:

- A. for absences from work when an employee has exhausted personal, annual, or sick leave
- B. to offset amounts employees receive as jury or witness fees or for military pay
- C. for unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions
- D. for the initial or terminal week of employment
- E. for penalties imposed in good faith for infractions of safety rules of major significance
- F. for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act

In these circumstances, the university may make either partial day or full day deductions.

#### PROCEDURES:

Employees are provided a confirmation of pay each pay period. Employees should review this pay confirmation carefully each pay period. If an employee believes that an improper deduction has been made from his or her salary, then he or she must immediately report this information to his or her supervisor. If the employee feels uncomfortable discussing the problem with his or her supervisor (or has not received a prompt reply), he or she should report this information to the university's Payroll Department at (407) 823-6663. The employee must specify in writing the specific circumstances of the pay deduction and whether it has occurred on other occasions. Reports of improper deductions will be promptly investigated. If it is determined that the exempt employee's pay has been improperly deducted, the university will take corrective action, including, but not limited to, full reimbursement to the employee during the next earliest possible pay period.

The University of Central Florida is committed to complying with the federal and state wage and hour laws and will not tolerate any form of retaliation against individuals who report a concern regarding the payment of wages, report alleged violations of this policy, or cooperate in the university's investigation of such reports. Any form of retaliation in violation of this policy will result in disciplinary action up to and including discharge.

CONTACTS:

Office of Human Resources, UCF, 12565 Research Parkway, Orlando, FL 32826-2912.  
Phone: (407) 823-2771.

Payroll Department, Office of Human Resources, UCF, 12565 Research Parkway, Orlando,  
FL 32826-2912. Phone: (407) 823-6663.

INITIATING AUTHORITY: Vice President for Administration and Finance

**POLICY APPROVAL**  
(For use by the Office of the President)

Policy Number: 3-003

Initiating Authority: Will F. Menke II Date: 12/13/04

Policies and Procedures  
Review Committee Chair: Beth Barnes Date: 12/09/04

President or Designee: John C. Hill Date: 12/15/04