



**PIMA COUNTY, ARIZONA**  
**BOARD OF SUPERVISORS POLICY**

<u>Subject:</u>  FAIR LABOR STANDARDS ACT - SAFE HARBOR	Policy Number	Page
	D 23.18	1 of 1

Background

Under the new Fair Labor Standards Act's FairPay regulations, employer liability for improper deductions for exempt employees is narrowed and lessened. A higher burden is placed on supervisors and managers. Previously if an improper deduction were made, other employees in that classification throughout the organization would lose their exempt status as well - even if they were in another location and reported to a different manager and their pay had never been reduced. Now, if a manager makes an impermissible deduction, the only employees who may lose their exempt status are those that were in the same job classification and worked for the same manager during the same period of time.

Policy

In accordance with the Fair Labor Standards Act, it is the policy of the Board of Supervisors that improper salary deductions are prohibited for exempt employees.

Responsibility

It is therefore the responsibility of all Appointing Authorities and their designees to inform their exempt employees of this policy statement by one of two ways. Initially, each current, exempt employee must sign on the bottom of a copy of this policy and the signed copies must be filed in the current employee's department personnel file. The department should also clearly print or type the name of the employee on the bottom or top of this form. This policy will also be posted on the internet to further ensure that all exempt employees have notice of, and access to, this policy.

Exempt employees are obligated to immediately report to their immediate supervisor and the Human Resources Department whenever he or she has reason to believe a violation of this policy may have occurred.

Human Resources will be responsible for immediately investigating the claim and providing a written conclusion for the County Administrator's approval. If an improper deduction has been made, the County Administrator will approve reimbursement following normal procedures and will make a good faith commitment to comply in the future. The exemption will be lost only if the County willfully violates the policy by continuing the improper deductions after receiving employee complaints.

Effective Date: Retroactive to August 23, 2004, to coincide with the effective date for the FairPay regulations.

Reference: Fair Labor Standards Act, Wage and Hour Division

Adopted by the Board of Supervisors: September 7, 2004