

NORTHCARE NETWORK

POLICY TITLE: Overtime Compensation	CATEGORY: Personnel	
EFFECTIVE DATE: 1/1/15	BOARD APPROVAL DATE: 12/10/14	
REVIEW DATE: 8/27/24	REVISION(S) TO POLICY STATEMENT: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	OTHER REVISION(S): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
RESPONSIBLE PARTY: HR Specialist	CEO APPROVAL DATE: 9/3/24 Megan Rooney, CEO	

APPLIES TO

NorthCare Network Personnel

POLICY

NorthCare Network has established this overtime policy to comply with applicable state and federal laws governing accrual and use of overtime. The Chief Executive Officer will determine whether each employee is designated as “exempt” or “nonexempt” from earning overtime.

PURPOSE

The purpose of this policy is to ensure compliance with the overtime provisions of the Fair Labor Standards Act (FLSA) and to outline a uniform process.

DEFINITIONS

1. ***Exempt Employee*** - Exempt employees are those who are “executive, administrative or professional” as defined under Federal Law.
2. ***Nonexempt Employee*** - Nonexempt employees are those paid on an hourly basis and eligible for overtime under the Fair Labor Standards Act.

REFERENCES

Federal Fair Labor Standards Act
Michigan Workforce Opportunity Wage Act (Act 138 of 2014)

HISTORY

NEW POLICY – 1/1/15
REVISION DATE: 6/23/17, 5/3/18, 3/21/19, 10/12/23, 8/27/24
REVIEW DATE: 12/3/14, 10/19/15, 8/22/16, 6/23/17, 5/3/18, 3/21/19, 2/21/20, 12/28/20, 1/28/22, 10/12/23, 9/27/24
CEO APPROVAL DATE: 12/3/14, 11/9/15, 9/6/16, 7/13/17, 5/4/18, 4/1/19, 2/26/20, 1/5/21, 2/1/22, 10/12/23, 9/3/24
BOARD APPROVAL DATE: 12/10/14

PROCEDURES

Nonexempt Employees

All overtime-eligible employees will be compensated at the rate of time and one-half for all hours worked over 40 in one workweek. Vacation, sick leave, and paid holidays do not count toward “hours worked”. Work time in excess of 40 hours per week will not be counted towards hours of employment for fringe benefit purposes.

The standard workweek is defined as Sunday morning from 12:00 a.m. to Saturday evening at 11:59 p.m. Exceptions may be granted with written approval from the Chief Executive Office.

The employee's supervisor must approve overtime hours in advance. An employee who works overtime without prior approval may be subject to disciplinary action.

Overtime earned will be paid at the rate of time and one-half their hourly rate on the next regularly scheduled payroll date.

Whenever feasible, efforts should be made to avoid accruing overtime time by adjusting the employees' work hours within the same work week. Employees should make arrangements with their supervisor to leave early or arrive late in order not to exceed 40 hours worked in the same work week. NorthCare Network reserves the right to relieve employees from their duties during a workweek to avoid incurring overtime liability during that workweek.

Exempt (Non-Overtime Eligible) Employees

Exempt employees are expected to work whatever hours are necessary in order to meet the performance expectations outlined by their supervisors. Generally, to meet these expectations, and for reasons of public accountancy, an exempt employee will need to work 40 or more hours per week. Exempt employees do not receive extra pay for the hours worked over 40 hours in one workweek. Exempt employees are paid on a salary basis. This means that they receive a predetermined amount of pay each pay period and are not paid by the hour. Their pay does not vary based on the quality or quantity of work performed, and they receive their full weekly salary for any week in which any work is performed. NorthCare Network will only make deductions from the weekly salary of an exempt employee in the following situations:

- The employee is in a position that does not earn vacation or personal leave and is absent for a day or more for personal reasons other than sickness or accident.
- The employee is in a position that earns sick leave, receives a short-term disability benefit or workers' compensation wage loss benefits and is absent for a full day due to sickness or disability, but either is not yet qualified to use the paid leave or has exhausted all of his/her paid leave.
- The employee is absent for a full workweek, and, for whatever reason, the absence is not charged to paid leave (for example, a situation where the employee has exhausted all of his/her paid leave or a situation where the employee does not earn paid leave).
- The very first workweek or the very last workweek of employment with NorthCare Network in which the employee does not work a full week. In this case, NorthCare Network will prorate the employee's salary based on the time worked.
- The employee is in a position that earns paid leave and is absent for a partial day due to personal reasons, illness or injury, but:
 - Paid leave has not been requested or has been denied.
 - Paid leave is exhausted.
 - The employee has specifically requested unpaid leave.

- The employee is suspended without pay for a full day or more for disciplinary reasons for violations of any written policy that is applied to all employees.
- The employee takes unpaid leave under the Family and Medical Leave Act (FMLA).
- NorthCare Network may for budgetary reasons implement a voluntary or involuntary unpaid leave program and, under this program, make deductions from the weekly salary of an exempt employee. In this case, the employee will be treated as non-exempt for any workweek in which the budget-related deductions are made.

Requirement to Work Overtime

All employees are required to work overtime as requested by their supervisors as a condition of continued employment. Refusal to work overtime may result in disciplinary action. Supervisors will make reasonable efforts to balance the personal needs of their employees when assigning overtime work.