



## ADMINISTRATIVE PROCEDURE

<b>SUBJECT:</b> <b>FAIR LABOR STANDARDS          ACT – EXEMPTIONS</b>	<b>Number</b> <u><b>I-5</b></u>	<b><u>Effective Date:</u></b> <b>Issued: <u>9/28/87</u></b> <b>Revised: <u>11/27/89</u></b> <b>Revised: <u>3/6/92</u></b> <b>Revised: <u>9/3/04</u></b>	<b>Page 1 of 4</b>
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**PURPOSE:**

To identify employees who are exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act (FLSA) (29 C.F.R. Part 541).

**POLICY:**

The FLSA Fair Pay regulations provide for several categories of employees exempt from the minimum wage and overtime provisions of the Act. This administrative procedure identifies positions by classification qualifying as executive (29 C.F.R. 541.100 et seq, administrative (29 C.F.R. 541.200 et seq, and professional (29 C.F.R. 541.300) and computer employees (29 C.F.R. 541.400 et seq).

1. Administrative Employees

a. General Qualifications

An administrative employee must meet all of the following requirements in order to be exempt from the FLSA minimum wage and overtime provisions:

- (1) Duties: Primarily consist of:
  - (a) Non-manual work directly related to management or general business operations of the employer or the employer’s customers; and who exercise discretion and independent judgment with respect to matters of significance.
- (2) Compensation: Is paid not less than \$455 per week exclusive of board, lodging, or other facilities.

2. Executive Employees

a. General Qualifications

An executive employee who meets all of the following requirements in order to be exempt from the FLSA minimum wage and overtime provisions:

- (1) Duties: Primarily duty is management of the enterprise or of a customarily recognized department, or subdivision.
- (2) Supervision: Customarily and regularly directs two or more other employees.
- (3) Authority: Possesses the power to hire and fire employees, or whose suggestions are given particular weight in such decisions, as to hiring, firing, advancement, promotion, or any other change of status of other employees.
- (4) Compensation: Is paid not less than \$455 per week exclusive of board, lodging, or other facilities.

3. Professional Employees

a. General Qualifications

A professional employee must meet all of the following requirements to be exempt from the FLSA minimum wage and overtime provisions:

- (1) Duties: Primarily work requiring –
  - (a) Knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction; or
  - (b) Invention, imagination, originality or talent in a recognized field of artistic or creative endeavor.
- (2) Compensation: Is paid not less than \$455 per week exclusive of board, lodging, or other facilities.

4. Computer Employees:

a. General Qualifications:

A computer employee must meet all of the following requirements in order to be exempt from the FLSA minimum wage and overtime provisions:

- (1) Duties: Primarily consist of any of the following or a combination of the following:
  - (a) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications.
  - (b) The design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
  - (c) The design, documentation, testing, creation, or modification of computer programs related to machine operating systems.
- (2) Compensation: Is paid not less than \$455 per week, exclusive of board, lodging, or other facilities or an hourly rate of not less than \$27.63 per hour.

Classifications Exempt:

General Manager

District Secretary

Unrepresented Group Classifications

Local 21 Professional/Supervisory Unit Classifications

Confidential Unit:

Environmental Compliance Officer

Risk Management Officer

Safety Officer

Human Resources Analyst

**RESPONSIBILITY:**

It is the responsibility of the Human Resources and Risk Division to annually review the duties of the classifications and verify whether they should be included in the listing of positions exempt from the provision of the FLSA.

APPROVED:

A handwritten signature in black ink that reads "Walter J. Bishop". The signature is written in a cursive style with a large initial 'W' and 'B'.

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Walter J. Bishop  
General Manager