

EMPLOYMENT STATUS DEFINITIONS

PURPOSE

To define the classifications of employees and their employment status.

SCOPE

This policy applies to all employees of LADD.

POLICY

It is the policy LADD to define various classifications of employees for payroll, reimbursement, work hours, benefits, training and travel.

DEFINITIONS:

Direct and Administrative Services Employment Status — Directors, Management, Non-direct Support Staff and Professional Care Technicians.

- **Exempt:** All salaried employees whose positions meet a specific test established by the Fair Labor Standards Act (FLSA) and applicable state law, and who are exempt from overtime pay requirements.
- **Non-exempt:** Employees whose positions do not meet FLSA and state exemption tests and who are paid a multiple of their regular rate of pay for hours worked in excess of forty per week.
- **Full-time:** Employees designated as full time work a minimum of 130 hours per month over a 6-month timeframe. These designated employees are eligible for company insurance benefits, (see Affordable Care Act Policy). Please note that employees with insurance benefits through LADD must consistently work 130 hours a month to keep their benefits.
- **Part-time:** Employees who work less than 130 hours per month over a 6-month timeframe are not eligible for insurance benefits. These employees are still eligible for other benefits as outlined in the Employee Handbook.
- **Temporary:** Employees who are hired for a pre-established period, usually during peak workloads or for vacation relief. They may work a full-time or part-time schedule. They are ineligible for LADD benefits and holiday pay.
- **Executive Exemption:** The employee must be compensated on a salary basis as defined by the Department of Labor (DOL) regulations at a rate not less than the current -DOL established weekly rate. Employees below the DOL established rate must be paid overtime if they work more than 40 hours per week. Workers making at least the established DOL rate may be eligible for overtime based on their job duties. Please see the DOL website for the current weekly salary. The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise. The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent. The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.
- **Administrative Exemption:** The employee must be compensated on a salary as defined by the Department of Labor (DOL) regulations at a rate not less than the current DOL established weekly rate. Employees below the DOL established rate must be paid overtime if they work more than 40 hours per week. Workers making at least the established DOL rate may be eligible for overtime based on their job duties. Please see the DOL website for the current weekly salary. The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers. The employee's primary

duty includes the exercise of discretion and independent judgment with respect to matters of significance.

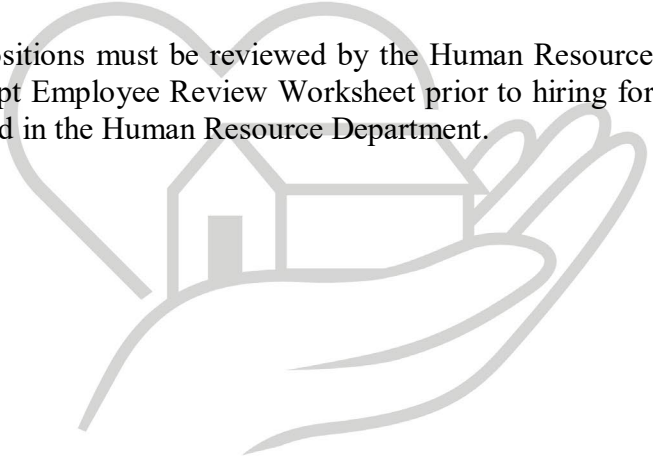
- **Computer Exemption:** The employee must be compensated either on a salary as defined by the Department of Labor (DOL) regulations at a rate not less than the current-DOL established weekly rate. Employees below the DOL established rate must be paid overtime if they work more than 40 hours per week. Workers making at least the established DOL rate may be eligible for overtime based on their job duties. Please see the DOL website for the current weekly salary. The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below. The employee's primary duty must consist of:
 - 1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;
 - 2) 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;
 - 3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
 - 4) A combination of the aforementioned duties, the performance of which requires the same level of skills.
- **Professional Exemption:** The employee must be compensated on a salary as defined by the Department of Labor (DOL) regulations at a rate not less than the current -DOL established weekly rate. Employees below the DOL established rate must be paid overtime if they work more than 40 hours per week. Workers making at least the established DOL rate may be eligible for overtime based on their job duties. Please see the DOL website for the current weekly salary.
 - A. **Learned Professional:** The employee's primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment. The advanced knowledge must be in a field of science or learning. The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.
 - B. **Creative Professional:** The employee's primary duty must be the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor.
- **Highly Compensated Employees Exemption:** Highly compensated employees performing office or non-manual work and paid total annual compensation of \$100,000 or more (which must include at least \$455 per week paid on a salary or fee basis) are exempt from the FLSA if they customarily and regularly perform at least one of the duties of an exempt executive, administrative or professional employee identified in the standard tests for exemption.

PROCEDURE

1. All employees providing direct services to the people receiving supports must be involved in all required trainings.
2. All employees working in non-direct service position must complete training specific to their jobs.
3. Employees can request a change in status by talking with a member of management and filling out a Status Request Change Form.
4. Staff will be informed of any changes in Status and changes in Status will occur in writing.
5. Staff can appeal changes in Status via the Corporate Structure. Chain of Communication /Complaint Policy.
6. All non-exempt employees who work more than 40 hours per week will be compensated at 1 ½ times their rate of pay.

Documentation of exempt status;

1. All Exempt employee positions will be reviewed annually prior to completion of the employee's evaluation by the Human Resources Department using the Exempt Employee Review Worksheet.
2. The Human Resource Department will review the Exempt Employee Review Worksheet. If the position continues to meet the criteria for exempt status the Exempt Employee Review Worksheet will be kept on file. If it has been found the position no longer meets criteria for exempt status the Human Resources Department will begin a review of the employee's job duties and job description and make necessary revisions in conjunction with required supports such as direct supervisor or the Quality Improvement Department.
3. An approved change in the job description as a result of the Human Resource Department revisions will result in the completion of a new Exempt Employee Review Worksheet and the employee signing a new job description. The updated documents will be filed in the Human Resources Department.
4. Any newly created positions must be reviewed by the Human Resource Department to determine status using the Exempt Employee Review Worksheet prior to hiring for position. In this case the Worksheet will be filed in the Human Resource Department.



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