

June 2015

# BRAIN TEASER

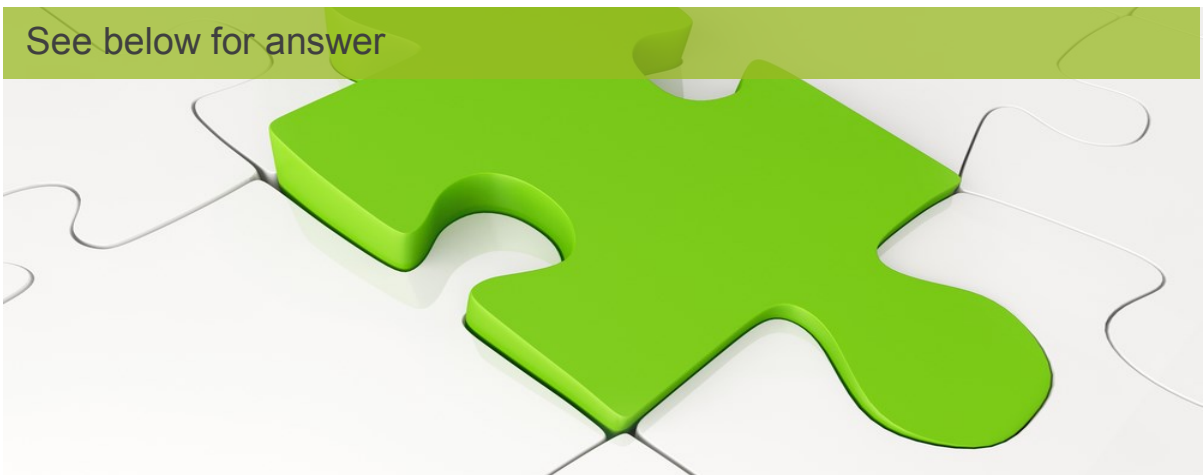
## Deductions to an Exempt Employee's Salary

You know deductions to an exempt employee's salary are limited under Federal and sometimes state law. You have an exempt employee who quit in the middle of a workweek. The employee states you must pay her for the entire week.

How should you handle this issue?

- A. You must pay the employee for the entire week.
- B. During the initial or terminal week of employment and individual's pay may be reduced to reflect days actually worked.
- C. You are not required to pay any portion of the week since the employee ended employment in the middle of a workweek.

See below for answer



The answer is B.

Exempt employees must receive their full salary on a weekly or less frequent basis without regards to the quality (job performance) or quantity (number of hours) of work performed. The “no pay-docking” rule prohibits deductions from pay for partial-day and many partial-week absences. There are limited circumstances under which a deduction may be made from the salary of an exempt employee. The Fair Labor Standard does allow deductions during the initial or terminal week of employment. The individual's pay may be reduced to reflect days actually worked.