

## Timekeeping and Pay Policy

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**1.0 POLICY STATEMENT:** This policy establishes the guidelines for employee timekeeping and certain pay practices. This policy also replaces Holiday Leave, HR-104.

### 2.0 PROCEDURES

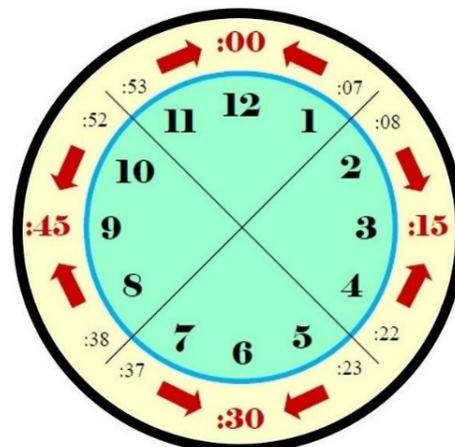
*Recording Work Time* - All non-exempt employees must accurately record the time work begins and ends. Employees may also be required to clock in and out for unpaid meal breaks. Employees using a time clock or a web-based time tracking system to record hours worked must clock in and out as appropriate daily for payroll and benefit purposes.

Altering, falsifying or tampering with time records is prohibited and subjects the employee to discipline, up to and including discharge. No non-exempt employee should ever perform work without clocking or otherwise accurately recording actual time worked.

It is the employee's responsibility to approve time records to certify the accuracy of all time recorded. Any errors in the time record should be reported immediately to a Supervisor, who will attempt to correct legitimate errors. After time worked is approved by the Supervisor, changes cannot be made unless the employee is notified.

*Rounding Rule* - In accordance with the Fair Labor Standards Act's (FLSA) "rounding" rule, for employees using a method to calculate time worked, there is a short period prior to the beginning of your shift that you will be able to clock in. The City of Johnson City uses the 7-minute rounding rule. For every 1 to 7 minutes that are rounded down, there is a corresponding timeframe of 8 to 14 minutes that are rounded up to the nearest quarter-hour and counted toward total work time. **THIS IS NON-WORKED TIME**, allowing you to clock in for your shift upon arrival to your work location. **DO NOT** begin work until your scheduled start time and **DO NOT** clock in any earlier than seven (7) minutes prior to your shift, unless approved in advance by your supervisor.

There is also a short window at the end of your shift to clock out. **DO NOT** clock out later than seven (7) minutes past your shift end time, unless otherwise approved by your supervisor. A visual graphic of the rounding is provided here:



### **3.0 YOUR PAYCHECK**

*Pay Week* - All employees will be paid bi-weekly, generally every other Friday for all the time worked during the past pay period. The pay week begins on Saturday at 12:00 AM and ends on Friday at 11:59 PM.

*Pay Stubs* - Employees can access their pay stubs through the Oracle log-in. Employees may contact the I.T. or Human Resources department for help with accessing pay stubs to request wage statements or other issues. Paper pay stubs are not supplied.

Pay stubs itemize deductions from gross earnings. By law, the City is required to deduct for Social Security, federal income tax and any other appropriate taxes. These required deductions also may include any court-ordered garnishments. The deductions may also include any health and wellness benefit plans in which the employee is enrolled in, as well as other deductions agreed upon by the employee.

Pay stubs also will differentiate between regular pay received and overtime pay received.

If there is an error in an employee's pay, the employee should bring the matter to the attention of payroll staff immediately in order to resolve the matter quickly and amicably.

*Direct Deposit* – The City requires employees (except temporary workers) to use direct deposit. Contact Payroll directly for any changes to your direct deposit information.

*Pay for Time Worked* – Non-exempt employees will be paid only for actual hours worked unless they receive paid leave benefits.

Exempt employees are paid on a salary basis and, in general, must be paid their full salary for any week in which they perform work. Exempt employee pay may be reduced only in the event that an exempt employee is absent from work. However, the City provides paid leave benefit plans, i.e. vacation, sick and compensatory programs that shall be used in substituting time to maintain the salary basis for exempt employees.

### **4.0 DEDUCTIONS FROM PAY**

All required deductions, such as for federal, state, and local taxes, and all authorized voluntary deductions, such as for health insurance contributions, will be automatically withheld from the employee's paycheck.

#### **4.1 *Safe Harbor Policy for Exempt Employees***

It is City policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure proper payment and that no improper deductions are made, employees must review pay stubs promptly to identify and report all errors immediately.

Employees classified as exempt salaried employees will receive a salary which is intended to compensate that group of employees for all hours they may work for the City.

This salary will be established at the time of hire or classification as an exempt employee. While it may be subject to review and modification from time to time, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

Under federal and state law, salary is subject to certain deductions. For example, unless state law requires otherwise, salary can be reduced for the following reasons:

- full-day absences for personal reasons;
- full-day absences for sickness or disability;
- full-day disciplinary suspensions for infractions of our written policies and procedures; family and Medical Leave absences (either full- or partial-day absences);
- to offset amounts received as payment from the court for jury and witness fees or from the military as military pay;
- the first or last week of employment in the event the employee works less than a full week; and
- any full work week in which the employee does not perform any work.

Salary may also be reduced for certain types of deductions such as a portion of health, dental or life insurance premiums; state, federal or local taxes; social security; or voluntary contributions to a retirement or pension plan.

In any work week in which the employee performed any work, salary will not be reduced for any of the following reasons:

- partial day absences for personal reasons, sickness or disability;
- an absence because the employer has decided to close a facility on a scheduled workday; absences for jury duty, attendance as a witness, or military leave in any week in which the employee performed any work (subject to any offsets as set forth above); and
- any other deductions prohibited by state or federal law.

However, unless state law provides otherwise, deductions may be made to accrued leave for full- or partial-day absences for personal reasons, sickness or disability.

If the employee believes he or she has been subject to any improper deductions, the employee should immediately report the matter to a supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact that person (or if the employee has not received a prompt and fully acceptable reply), he or she should immediately contact the Human Resources Director.

## **5.0 MEAL AND REST BREAKS**

The automated time reporting system may use an "auto lunch deduction," for some positions and depending on the employee's work schedule. Other positions may include a paid lunch/meal period.

State law requires that each non-exempt employee scheduled to work six (6) consecutive hours must be provided a thirty (30) minute meal or rest period. The City of Johnson City requires all non-exempt employees to take either thirty (30) minutes or a one (1) hour lunch break, depending on the employee's individual work schedule. Under no circumstances will an employee "forego" their lunch break. Managers are not permitted to require that employees work through their meal period.

The City also provides break periods throughout the employee's shift. Employees working an 8-hour shift will receive two 10-minute breaks. Employees working a 12-hour shift will receive three 10-minute breaks, or two 15-minute breaks.

Departures from the scheduled break periods must be arranged in advance with your manager. Because the break periods are paid time, they may not be combined with the unpaid meal period nor may they be used to make up for reporting to work late or to leave early. For no reason whatsoever are employees given additional break privileges or extended time on breaks for tobacco, E-Cigarette, etc. use.

## **6.0 LACTATION BREAKS**

The City of Johnson City will provide a reasonable amount of break time to accommodate a lactating employee in accordance with and to the extent required by applicable law. Employees should advise their supervisor if they need break time and an area for this purpose.

Employees will not be discriminated against or retaliated against for exercising their rights under this policy. Please consult the Human Resources Department if you have questions regarding this policy.

## **7.0 OVERTIME**

Exempt employees are generally not eligible for overtime compensation. Non-exempt employees will be paid at a rate equal to 1.5 times the employee's effective hourly rate of pay as calculated from their salary in accordance with Fair Labor Standards Act (FLSA) and applicable laws and regulations.

7.1 All overtime shall be pre-approved or scheduled by a supervisor or as deemed appropriate by the department head. Reasonable notice when the need for overtime work arises will be provided unless uncontrollable circumstances (i.e. weather, emergencies, etc.) arise. Advance notice may not always be possible. Vacation, sick leave and any other leave, paid or unpaid, is not considered time worked when computing overtime.

7.2 Non-exempt employees will receive overtime compensation as follows:

Non-exempt employees will receive overtime compensation when required to work more than forty (40) hours in a work week. Overtime compensation will not be paid until the employee has worked forty (40) hours during the work week.

Vacation, sick, military, civil, unpaid or any other paid leave are not treated as hours worked. Break and lunch periods are not treated as hours worked nor should they be worked through to reach the forty (40) hour threshold for overtime compensation.

In accordance with FLSA and applicable laws, Police personnel regular hours and overtime shall be based on a 28-day cycle or 171 hours and Fire personnel regular hours and overtime shall be based on a 28-day cycle or 212 hours.

## **8.0 OBSERVED AND PAID HOLIDAYS**

It is the policy of the City that all full-time employees enjoy the same number of holidays each year. Part-time employees shall also be eligible for holidays when the holiday falls within the scheduled workweek. The holiday pay will be pro-rated based on the number of hours worked during that week.

## **8.2 PROCEDURES**

The following days are currently designated by the City Commission as official holidays with pay for those eligible employees:

New Year's Day      Martin Luther King, Jr.      Memorial Day      Independence Day  
Labor Day              Thanksgiving Day and day after Thanksgiving  
Christmas Eve and Christmas Day

When holidays fall or are celebrated on a regular workday, eligible employees will receive 8 hours pay at their regular straight-time rate.

Applicable employees in Fire service that are scheduled to work 9 shifts in a pay period in which a holiday occurs will receive 8.1 hours at 1.5 times their 216 hour rate, whether they are or are not actually working on the holiday. Applicable employees in Fire service that are scheduled to work 10 shifts in a pay period in which a holiday occurs will receive 9 hours at 1.5 times their 240 hour rate, whether they are or are not actively working on the holiday.

In order to receive holiday pay, the employee will have worked the day before and the day after (if scheduled), or have approved paid sick or vacation paid leave, or is on approved FMLA or other applicable paid leave.

- 8.2.2 An official holiday which falls on Saturday or Sunday, respectively, may be observed on the preceding Friday or following Monday as city-wide work requirements dictate on an annual basis. A determination of this schedule may be made in conjunction with the annual budget process by the City Manager.
- 8.2.3 If a holiday falls within an eligible employee's approved paid time off (sick, vacation, or other paid leave) absence period, the eligible employee will be paid for the holiday at the regular straight-time rate in lieu of the paid time off. If a holiday falls within a jury duty or bereavement leave, the eligible employee will be paid for the holiday at the regular straight-time rate.

Paid holidays are not treated as hours worked nor should they be worked through to reach the forty (40) hour threshold for overtime compensation.

- 8.2.4 Non-exempt employees who are scheduled to work or who are called in to work on a City observed holiday will receive pay for hours worked on the holiday at the overtime rate, (1.5 times pay), and holiday pay at the regular base rate of pay.

## **9.0 FLOATING PERSONAL LEAVE DAYS**

In addition to the holidays listed above, the City also extends the following floating personal leave days to employees:

- 9.1 All full and part-time employees, active in the payroll system on January 1st of each calendar year, are eligible for two (2) floating personal leave days. These days must be scheduled and taken with the approval of supervision.
- 9.2 New employees hired prior to July 1 are eligible for two (2) floating personal leave days in the same calendar year. Those hired on or after July 1st are eligible for one (1) floating leave day until January 1 of the following year.
- 9.3 Floating leave day(s) are paid on the same hourly basis as City observed and paid holidays.
- 9.4 Floating leave day(s) shall not apply toward meeting the forty (40) hours worked threshold for overtime compensation in any circumstances. The floating leave days must be used within each calendar year or the days will be forfeited.

## **10.0 COMPENSATORY TIME**

Eligible non-exempt employees may accrue up to 100 compensatory hours for hours worked beyond what is scheduled and for approved overtime worked.

**Non-exempt employees** – The City allows non-exempt employees to earn compensatory time (Comp Time) off to a maximum of 100 hours in the following ways.

- 10.1.1 Compensatory time is earned at an employee's regular hourly rate for hours worked beyond a regular shift if they have not worked more than 40 hours in a week. Examples when this would apply include when time is accrued for holidays, sick, vacation, etc., but the employee does not actually work 40 hours.
- 10.1.2 Compensatory time is earned at a rate 1.5 times the employee's regular rate when working more than 40 hours in a single workweek, in accordance with FLSA rules. For example, an employee earning two hours of compensatory pay due to reaching the overtime threshold will have three hours of earned compensatory time accrued.
- 10.1.3 An employee reaching the maximum allowable hours of comp time, 100 hours, shall be paid any additional hours worked over 40 in a single work week at the overtime rate, or 1.5 times the employee's regular rate.

Earned compensatory time will be recorded on the time record, and accrued and maintained in the payroll system for future use. Department heads may exercise the authority to decide whether an employee is paid overtime or if they may accrue compensatory time.

The accrual of, or use of undocumented, unassigned, or unscheduled time is prohibited and subject to adjustment and disciplinary action.

**Exempt employees** - It is expected that exempt employees perform work for a minimum of 40 hours each week, and is therefore exempt from earning pay at 1.5 times the regular rate.

10.2 Compensatory time will only be awarded to exempt employees during weeks that the exempt employee works more than 40 hours, with supervisor's approval, at the employee's effective regular hourly rate.

Also, exempt employees who works on a holiday, with supervisor's approval, will accrue comp time equal to the number of hours worked at the effective regular hourly rate.

Exempt employees may accrue up to 100 compensatory hours for hours worked over 40 in a single workweek. Time accumulated in excess of the maximum will be forfeited, unless there are extenuating circumstances, and an exception is approved by the City Manager. The accrual of or use of undocumented time is unauthorized.

Compensatory time earned should be documented and approved in the time record. Compensatory time leave requests should be requested on the time record in the same manner as all other leave requests.

## **11.0 POLICY EXCEPTIONS**

Any exceptions to this policy must be recommended in writing by the department head, reviewed by the Human Resources Director and approved by the City Manager. The approved exceptions are to become part of the employee personnel record.

## **12.0 RESPONSIBILITY**

The Human Resources Director is responsible for the administration and communication of this policy. Department heads are responsible for complying with the provisions of this policy.

APPROVED: \_\_\_\_\_

Cathy D. Ball  
City Manager