

Exempt and Non-Exempt Status

Each employee is classified as either exempt or non-exempt in accordance with federal and state wage/hour laws.

Exempt Employees: Exempt employees are paid on a salary basis and hold executive, supervisory or managerial positions that require the regular exercise of discretion and independent judgment. In order to be exempt an employee must meet the following two tests:

- (1) A “salary” test. The employee must be paid a salary that is at least equivalent to two times the minimum wage for full-time employment. Full-time employment is defined in Labor Code Section 515(c) as 40 hours per week, for 52 weeks. (In 2013 the minimum wage amount is \$33,280 per year regardless of time worked.)
- (2) A “duties” test. The employee must spend the majority of time performing duties that are primarily intellectual, managerial or creative and which require exercise of independent judgment and discretion. Certified teachers, certified accountants and other professionals are considered exempt, as are managers who spend more than half their time supervising at least 2 other employees or who have high-level staff responsibilities.

Exempt employees are not eligible for overtime pay or compensatory time.

Non-exempt Employees: All other employees are non-exempt and entitled to overtime pay for hours worked beyond the ordinarily assigned daily or weekly hours. Non-exempt employees include those in clerical and support service positions. The workweek for salary purposes begins on Monday. Overtime pay at 1.5 times the employee’s regular hourly rate is paid for hours worked between 8 and 12 hours in one workday or 40 hours in one workweek. Double pay is given for those hours worked over 12 hours in one workday or work in excess of 8 hours on the seventh day of a workweek. Overtime pay and double pay are included in the employee’s paycheck in the pay period in which it is earned. If it is earned after the notification deadline for that pay period, then it is included in the next paycheck. Exceptions apply to: (1) an employee working an alternative work week adopted pursuant to the Labor Code; (2) an employee must be compensated monetarily for overtime unless the employee specifically asks for compensatory time instead. If compensatory time is granted, it must be at the same rate as overtime. Thus, if an employee would have 12 hours of overtime pay, the employee is granted 12 hours of compensatory time.

An employee working on a legal holiday must receive a day off in lieu of the legal holiday, within the same pay period, or must be paid at a double time rate. Non-exempt employees must receive prior approval by their supervisor in order to work over time.

Employees are informed of their exempt or non-exempt status at the time of hire. Changes in job duties or assignments can result in change in status. Employees should address questions about their status to their Division/Department Director or Pastor/Administrator/Parish Life Director or

to the Diocesan Human Resources Department. As of January 1, 2008 the California Minimum Wage is \$8.00 per hour.