

# Compensation

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► *Three options follow for how you compensate your nonexempt field staff:*

*(1) Option 1 - Hourly Pay (see, page 72);*

*(2) Option 2 - Per Diem Pay (see, page 75);  
and*

*(3) Option 3 - Per Visit Pay (see, page 79).*

*These are the most common pay arrangements we see for nonexempt field staff. Even if one of these Options is not exactly what you want to do, you should be able to adapt one of them to your arrangements.*

*If you are preparing a nonexempt office staff handbook, you probably will use Option 1 - Hourly Pay. It is certainly the easiest in terms of wage and hour compliance.*

*We have not included an option to pay nonexempt employees a “salary.” This is because paying a salary to a nonexempt employee creates quite a bit of complexity under wage and hour laws to determine the employee’s regular rate for overtime pay purposes. Correct payment depends on whether or not the “salary” is for a forty (40) hour week, a less than forty (40) hour week, or a more than forty (40) hour week. Paying a nonexempt employee a salary does not avoid the need to pay the employee overtime pay for hours worked over forty (40) in a workweek.*

## Option 1 - Hourly Pay



- *Under this Option, the employees are paid on an hourly basis for all hours they work. It is the simplest arrangement and the easiest in terms of achieving wage and hour compliance.*

### Generally

In establishing the hourly rates of pay for the nonexempt {field staff/office staff} employee job titles, the Agency considers the relationship of the job to other jobs in the Agency and attempts to be competitive with the rates paid by other employers in the community for similar types of jobs. Generally, when an employee is hired to work, he or she is paid the minimum rate for that job title but may be paid more due to relevant prior experience, education and other factors. The employee may then advance based on the employee's individual merit as shown through the annual or a special performance review.

Information concerning the Agency's compensation structure may be obtained from {Insert job title}.

### Hourly Compensation

Nonexempt {field staff/office staff} employees are compensated on an hourly basis for all hours worked. Nonexempt {field staff/office staff} employees are entitled to receive overtime pay (*see*, page 89 of this handbook).

### Weekday Night Work



- *Employees want to know if they will receive extra pay for working on a weekday night. Consequently, the handbook should address the situation so ... (This comment is continued on the next page.)*



► ... there is no misunderstanding. In that regard, you need to define what is meant by a “weekday night” (usually it is something like 5:00 p.m. to 8:00 a.m. the next day) and whether or not the employee receives extra pay for working during that time.

### Alternate 1 - No Premium Pay

A nonexempt {field staff/office staff} employee who is required to work on a weekday night (Monday, Tuesday, Wednesday, Thursday, \_\_\_\_\_ p.m. to \_\_\_\_\_ a.m. the next day and Friday, \_\_\_\_\_ p.m. to midnight) is paid his or her usual hourly rate of pay for the weekday night work. The employee does not receive premium pay for the weekday night work.

### Alternate 2 - Premium Pay

A nonexempt {field staff/office staff} employee who is required to work on a weekday night (Monday, Tuesday, Wednesday, Thursday, \_\_\_\_\_ p.m. to \_\_\_\_\_ a.m. the next day and Friday, \_\_\_\_\_ p.m. to midnight) is paid a greater than usual hourly rate of pay for the weekday night work.



► Rather than saying “greater than usual hourly rate,” it would mean more to the employee to say exactly what the evening rate of pay is, e.g., time-and-one half the employee’s usual rate. Whatever the increased rate, under the federal Fair Labor Standards Act, it will go into the numerator of the regular rate formula thereby increasing the amount of the employee’s overtime pay.

### Weekend Work

*{Text is continued on the next page.}*



► *Employees also want to know if they will receive extra pay for working on a week-end. Consequently, the handbook should address the situation so there is no misunderstanding. To avoid the extra pay being included in the numerator of the regular rate formula for overtime pay purposes, under the federal Fair Labor Standards Act, the weekend must mean Saturday and Sunday and the extra pay must be at least time-and-one-half the employee's usual rate of pay.*

### Alternate 1 - No Premium Pay

A nonexempt *{field staff/office staff}* employee who is required to work on a weekend (*i.e.*, on Saturday or Sunday) is paid his or her usual hourly rate of pay for the weekend work. The employee does not receive premium pay for the weekend work.

### Alternate 2 - Premium Pay

A nonexempt *{field staff/office staff}* employee who is required to work on a weekend (*i.e.*, on Saturday or Sunday) is paid time-and-one-half (1 ½) his or her usual rate of pay for the weekend work.



► *As mentioned, above, unless the premium pay is at least time-and-one-half the employee's usual rate, under the federal Fair Labor Standards Act, the premium will go into the numerator of the regular rate formula thereby increasing the amount of the employee's overtime pay.*

### Holiday Work

Nonexempt *{field staff/office staff}* employees who are required or approved to work on a day observed by the Agency as a holiday, or on the actual holiday if it is different than the day observed as a holiday, are paid for the hours worked as stated in

“Holidays” (see, page 112 of this handbook).