

NORTHCARE NETWORK

POLICY TITLE: Overtime Compensation	CATEGORY: Personnel	
EFFECTIVE DATE: 1/1/15	BOARD APPROVAL DATE: 12/10/14	
REVIEW DATE: 6/5/2025	REVISION(S) TO POLICY STATEMENT: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	OTHER REVISION(S): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
RESPONSIBLE PARTY: Human Resources Manager	CEO APPROVAL DATE: 7/1/25 Megan Rooney, CEO	

APPLIES TO

NorthCare Network Personnel

POLICY

NorthCare Network has established this overtime policy to comply with applicable state and federal laws governing accrual and use of overtime. The Chief Executive Officer will determine whether each employee is designated as “exempt” or “nonexempt” from earning overtime.

PURPOSE

The purpose of this policy is to ensure compliance with the overtime provisions of the Fair Labor Standards Act (FLSA) and to outline a uniform process.

DEFINITIONS

1. ***Exempt Employee*** - Exempt employees are those who are not covered by Fair Labor Standards Act (FLSA) regulations, which means they are not subject to overtime pay or minimum wage requirements. Employees must meet certain criteria in order to be classified as exempt and are typically paid on a salary basis.
2. ***Nonexempt Employee*** - Nonexempt employees are those paid on an hourly basis and eligible for overtime pay and minimum wage requirements under the Fair Labor Standards Act.

REFERENCES

Federal Fair Labor Standards Act
Michigan Workforce Opportunity Wage Act (Act 138 of 2014)

HISTORY

NEW POLICY – 1/1/15

REVISION DATE: 6/23/17, 5/3/18, 3/21/19, 10/12/23, 8/27/24, 6/5/25

REVIEW DATE: 12/3/14, 10/19/15, 8/22/16, 6/23/17, 5/3/18, 3/21/19, 2/21/20, 12/28/20, 1/28/22, 10/12/23, 9/27/24, 6/6/25

CEO APPROVAL DATE: 12/3/14, 11/9/15, 9/6/16, 7/13/17, 5/4/18, 4/1/19, 2/26/20, 1/5/21, 2/1/22, 10/12/23, 9/3/24, 7/1/25

BOARD APPROVAL DATE: 12/10/14

PROCEDURES

Nonexempt Employees

All overtime-eligible employees will be compensated at the rate of time and one-half their hourly rate for all hours worked over 40 in one workweek. Vacation, sick leave, and paid holidays do not count toward "hours worked". Work time in excess of 40 hours per week will not be counted towards hours of employment for fringe benefit purposes.

The standard workweek is defined as Sunday morning from 12:00 a.m. to Saturday evening at 11:59 p.m. Exceptions may be granted with written approval from the Chief Executive Office.

The employee's supervisor must approve overtime hours in advance. An employee who works overtime without prior approval may be subject to disciplinary action.

Whenever feasible, employees should avoid overtime by making arrangements with their supervisor to adjust their hours during the workweek. NorthCare Network reserves the right to relieve employees from their duties during the workweek to avoid incurring overtime.

Exempt (Non-Overtime Eligible) Employees

Exempt employees are expected to work whatever hours are necessary in order to meet the performance expectations outlined by their supervisors. Generally, to meet these expectations, and for reasons of public accountancy, an exempt employee will need to work 40 or more hours per workweek. Exempt employees do not receive extra pay for the hours worked over 40 in one workweek. Exempt employees are paid on a salary basis. This means that they receive a predetermined amount of pay each pay period and are not paid by the hour. Their pay does not vary based on the quality or quantity of work performed, and they receive their full weekly salary for each week in which any work is performed. NorthCare Network will only make deductions from the weekly salary of an exempt employee in the following situations:

- The employee does not earn vacation or personal leave and is absent for a day or more for personal reasons other than sickness or accident.
- The employee earns sick leave, receives a short-term disability benefit or workers' compensation wage loss benefits and is absent for a full day due to sickness or disability, but either is not yet qualified to use the paid leave or has exhausted all of their paid leave.
- The employee is absent for a full workweek, and, for whatever reason, the absence is not charged to paid leave (for example, a situation where the employee has exhausted all of their paid leave or a situation where the employee does not earn paid leave).
- The very first or last workweek of employment with NorthCare Network in which the employee does not work a full week. In this case, NorthCare Network will prorate the employee's salary based on the time worked.
- The employee earns paid leave and is absent for a partial day due to personal reasons, illness or injury, but:
 - Paid leave has not been requested or has been denied.
 - Paid leave is exhausted.

- The employee has specifically requested unpaid leave.
 - The employee is suspended without pay for a full day or more for disciplinary reasons for violations of any written policy that is applied to all employees.
- The employee takes unpaid leave under the Family and Medical Leave Act (FMLA).
- NorthCare Network may for budgetary reasons implement a voluntary or involuntary unpaid leave program and, under this program, make deductions from the weekly salary of an exempt employee. In this case, the employee will be treated as non-exempt for any workweek in which the budget-related deductions are made.

Requirement to Work Overtime

All employees are required to work overtime as requested by their supervisors as a condition of continued employment. Refusal to work overtime may result in disciplinary action. Supervisors will make reasonable efforts to balance the personal needs of their employees when assigning overtime work.