

2.15 KCTCS Classification and Compensation Administration

The goal of the KCTCS classification and compensation program is to attract potential employees, meet the needs of current employees and encourage well-performing employees to continue with the organization. With this in mind, the compensation program is built to balance both employee and KCTCS needs.

KCTCS has a market-based classification and compensation plan for regular full-time KCTCS employees.

As part of the classification and compensation plan, each KCTCS position has a title. In addition, each KCTCS staff position title has a designated document that provides a representative summary of the types of duties, responsibilities, and credentials required of the position. A salary schedule is established consisting of pay bands for staff employees and pay bands for faculty employees. Within each pay band there are salary ranges, including a minimum salary level, a market salary level, and a maximum salary level. Each position title is assigned to a pay band based on the level of responsibilities and required credentials as specified in the job specification and/or job analysis questionnaire. The salary schedule is reviewed periodically to assess for potential updates needed.

KCTCS applies the same principles of fairness to all employees, regardless of race, color, citizenship status, national origin, gender, sexual orientation, age, religion, creed, political affiliation, ethnic origin, physical or mental disability, veteran status, political affiliation, smoking status, or any other factor protected by law.

2.15.1 Wage and Salary Administration

2.15.1.1 Pay Cycle

Payday is normally on the 15th and 30th day of the month for services performed during the previous pay cycle. The twice monthly pay schedule is made up of twenty-four (24) pay periods per year. Changes to the payroll cycle shall be made and announced in advance whenever KCTCS holidays or closings interfere with the normal pay schedule.

2.15.1.2 Mandatory Deductions from Paycheck

KCTCS is required by law to make certain deductions from employee paychecks. Among these are federal, state and local income taxes and employee contributions to Social Security as required by law. These deductions shall be itemized on employee pay statements. The amount of the deductions depend on employee earnings and on the information employees furnish on the W-4 and K-4 tax withholding forms regarding the number of withholding allowances claimed. Employees may modify this number by completing a new W-4 tax withholding form located on

the KCTCS website and submitting it to their local payroll office. No one other than the employee may modify the employee's W-4 and/or K-4 tax withholding forms. Oral or written instructions are not sufficient to modify withholding allowances. Employees are advised to check their pay statements to ensure that these statements reflect the proper amount of withholding allowances.

KCTCS shall send employees a W-2 tax form annually that reflects employee taxable earnings and taxable amounts withheld for the year.

2.15.1.3 Employee Organization Dues Deduction

Employees may have dues for any employee membership organization, which has registered with KCTCS and has been approved by the KCTCS President, deducted from regular pay checks. "Employee organizations" are those whose primary mission is to serve KCTCS employees. The amount of the deduction is set by the organization. Dues deduction authorization forms are available at the employees' local payroll/business office. Dues deductions shall begin with the first check after a thirty (30) day processing period.

Employees may cancel their authorization to have dues deducted from their pay check by filing a written notice of cancellation with the same office at least 30 days before the end of the calendar quarter.

KCTCS shall furnish a list including the employee's name and home or mailing address to the organizations for which an employee authorizes dues deductions.

2.15.1.4 Direct Payroll Deposit

Direct payroll deposit is the automatic deposit of employees' payroll funds into the financial institution accounts of their choice. KCTCS employees shall participate in direct deposit of their payroll funds in accordance with the KCTCS Business Procedures. In addition, employees may authorize KCTCS to make additional deductions from their paychecks. Employees shall complete the necessary authorization forms located on the KCTCS website and submit them to their payroll office.

2.15.1.5 Error in Pay

Every effort is made to avoid errors in employee paychecks. If an error has been made, employees immediately, and no later than the end of the fiscal year, shall notify the local payroll officer, who shall take the necessary steps to research the problem and to assure that any necessary correction is made promptly.

2.15.1.6 Wage Garnishments

KCTCS expects that employees will manage their financial affairs so that KCTCS shall not be obligated to execute any court-ordered wage garnishments. However, employees shall be notified when court-ordered deductions are to be taken from their paycheck by KCTCS. KCTCS

acts in accordance with the federal Consumer Credit Protection Act, which places restrictions on the total amount that may be garnished from employee paychecks.

If KCTCS is required to make additional mandatory deductions from an employee's paychecks, KCTCS shall inform the employee about the mandatory deductions upon receipt of other lawful order.

2.15.1.7 Computing Pay

Pay is computed based on a regular full-time work week, which for KCTCS is 37.5 hours per week for regular full-time employees.

2.15.1.8 Compensation for Overtime Hours Worked; Work Performed during Holidays, Institutional Closing, and Emergency Closing

KCTCS expects that position workloads shall be accomplished within the regularly scheduled hours of the work week. Each supervisor is responsible for organizing, scheduling, and staffing departmental workloads in a manner that will avoid the development of overtime situations when at all possible. In addition, employees are expected to organize and manage their workload in order to complete it during regularly scheduled hours of the work week, if possible.

Therefore, this policy is intended for situations such as peak workload periods, unforeseen circumstances, or emergency situations, that prevent the completion of work during regularly scheduled working hours. Employees and supervisors shall understand that overtime compensation is intended for short-term arrangements, not as an ongoing operational and compensation strategy. Overtime work shall be reviewed every six months by the supervisor, appropriate supervisory personnel within the chain of command, and/or a financial officer to plan for other options, such as flexible scheduling, training other available staff, or hiring a temporary or additional regular employee(s).

Prior to engaging in any work in excess of the 37.5 hours per week, the excess work hours shall be requested and approved in advance by an employee's immediate supervisor (except for exempt employees who are not subject to overtime). Any hours worked between 37.5 and 40 hours in the week are not considered overtime work for purposes of determining the rate of pay, and shall be paid at the employees' regular pay rate. In addition, use of flexible scheduling is encouraged as a method to minimize any work over 37.5 hours during a work week.

For purposes of this policy, overtime work is defined as the hours worked in excess of 40 hours in a given week. A position may be exempt from receiving overtime compensation based on job duties, responsibilities, salary, and, in some cases, minimum education required. Determination for each position regarding exemption from overtime is made under the provisions of the Fair Labor Standards Act (FLSA) and is administered by the KCTCS System Human Resources Office. Non-exempt employees shall be compensated at an overtime rate on hours worked in excess of a forty (40) hours per week. Overtime hours shall be compensated in one of two ways, as follows:

- 1.) Leave time of 1.5 hours for every hour worked over 40 hours per week in the same work week within which the overtime was worked.
- 2.) Overtime pay of 1.5 hours for every hour worked over 40 hours per week in the same work week within which the overtime was worked.

For faculty overloads, staff overloads, and/or outside employment, please refer to the KCTCS policies and procedures on faculty/staff workload, faculty consulting, and outside employment.

KCTCS Personnel System

Overtime Work

Whenever possible, as compensation for overtime work in lieu of receiving overtime pay, non-exempt employees shall receive leave time (1.5 hours for every hour worked over 40 hours per week) in the same work week within which the overtime was worked. If it was not possible to award appropriate leave time as compensation for overtime work, non-exempt employees shall receive overtime pay (1.5 hours for every hour worked over 40 hours per week or 1.5 times the hourly rate).

Only actual hours worked are counted in computing eligibility for overtime pay. Leaves and other absence codes will not be counted or added to the number of "hours worked" in a work week and will therefore not be calculated in the overtime rate of pay. Leave hours shall be at the regular rate of pay.

Overtime policies do not apply to exempt employees.

Work Performed during Holidays, Institutional Closing, and Emergency

Closing

Full-time non-exempt employees (those employees who are eligible for overtime pay in accordance with the Fair Labor Standards Act) who work during a holiday, institutional closing, or emergency leave are considered to have worked overtime on that day and shall be paid 1.5 times their regular rate of pay for any hours worked on a holiday.

UK Personnel System

Overtime Work

Whenever possible, as compensation for overtime work in lieu of receiving overtime pay, non-exempt employees shall receive compensatory leave time (1.5 hours for every hour worked over 40 hours per week) in the same work week within which the overtime was worked. If it is not possible to award compensatory leave time as compensation for overtime work, non-exempt employees shall receive overtime pay (1.5 hours for every hour worked over 40 hours per week).

Only actual hours worked are counted in computing eligibility for overtime pay. Leaves and other absence codes will not be counted or added to the number of "hours worked" in a work

week and will therefore not be calculated in the overtime rate of pay. Leave hours will be at the regular rate of pay.

Exempt employees shall not be eligible to earn or receive overtime pay.

Work Performed during Holidays, Institutional Closing, and Emergency Closing

Full-time non-exempt employees (those employees who are eligible for overtime pay in accordance with the Fair Labor Standards Act) who work on a holiday shall receive their regular pay rate for hours worked, unless those hours exceed 40 hours per week when combined with all other eligible paid work hours during the same work week.

18A/151B Personnel System

Overtime Work

Non-exempt employees who work overtime (time worked in excess of 40 hours per week) shall receive compensation for overtime as either overtime pay or compensatory leave in accordance with the administrative regulations for KRS Chapters 18A (see Appendix 1).

Exempt employees earn compensatory leave for time worked in excess of 40 hours per week, in accordance with the administrative regulations for KRS Chapters 18A and 151B (see Appendix 1).

Work Performed during Holidays, Institutional Closing, and Emergency Closing

Full-time non-exempt employees (those employees who are eligible for overtime pay in accordance with the Fair Labor Standards Act) who work on a holiday shall receive their regular pay rate for hours worked, unless those hours exceed 40 hours per week when combined with all other eligible paid hours during the same work week.

Full-time non-exempt employees (those employees who are eligible for overtime pay in accordance with the Fair Labor Standards Act) who work during institutional closing or emergency leave are considered to have worked overtime on that day and shall be paid overtime for hours worked for institutional closing or emergency leave.

<u>6-22-98</u>	<u>10-12-05; 11-23-10</u>	<u>10-12-05; 11-23-10</u>	
Approval Date	Date(s) of Last Review	Date(s) of Last Revision <i>(Include all dates in chronological order)</i>	
<u>(SIGNED)</u>	<u>11-23-10</u>	<u>(SIGNED)</u>	<u>11-23-10</u>
Recommended by	Date	President, KCTCS	Date