

Deductions from Salaries

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By Russell B. Berger

Welcome to One Minute of Overtime, where I will share insights on Labor and Employment Law topics, mostly related to minimum wage and overtime compliance issues.

Compliance in this area of law is nuanced and technical, so it is critical for employers to audit and adjust their practices to remain compliant, so stop by to stay up-to-date and in-the-know.

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Deductions from Salaries

An employer is permitted to withhold a portion of an exempt employee's salary in limited circumstances, such as when the employee is absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness; to offset amounts employees receive as jury or witness fees, or for military pay; for penalties imposed in good faith for infractions of safety rules of major significance; or for unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

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