

## **§500 EMPLOYMENT RELATIONSHIPS**

### **§501 EMPLOYMENT STATUS**

*“Exempt” and “Non-Exempt” are terms used by the federal government to indicate which employees are, and which employees are not, subject to the provisions of the Fair Labor Standards Act (FLSA). This is the federal law that requires the payment of overtime wages to employees who are not exempt from its provisions (e.g. non-exempt). FLSA requires the determination “exempt” or “non-exempt” positions be made as described below in the procedures under policy 102.1. Such determination is not discretionary and is not subject to the preference of the employee or administrator. Examples of “exempt” employees are teachers, principals, directors of religious education, pastoral associates, youth ministers, music ministers, business managers, and those who have the authority to hire, fire, discipline, evaluate and supervise the work of others. Examples of “non-exempt” employees include parish and agency secretaries, school secretaries, housekeepers, cooks, maintenance/custodial workers, teacher’s aids and bookkeepers.*

#### **§501.1. Exempt vs. Non-exempt**

**501.1. Policy** Each employee of the Diocese of Springfield in Illinois, its parishes, schools and agencies<sup>1</sup>, shall be categorized as either "exempt" or "non-exempt".

#### ***Procedures***

- a) An exempt position is one that is predominantly executive, managerial or administrative in nature, or one that requires either a college degree or a combination of knowledge and experience in a specific field which is considered professional within the framework of diocesan operations. Outside salespeople and those employed on a commission basis are also exempt. Because these positions are "exempt," they do not require compensation of 1 1/2 times the regular hourly rate for work in excess of 40 hours in a week (Fair Labor Standards Act)
- b) Non-exempt positions are those which have responsibilities or requirements other than those listed in procedure a. (Fair Labor Standards Act)

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<sup>1</sup> From this point on, the term “Diocese of Springfield in Illinois employee” or “Diocese of Springfield in Illinois personnel” means “Employees of the Diocese of Springfield in Illinois, its parishes, schools and agencies.”

**§501.2. Full-time/Part-time Status**

**501.2.1. Policy** "Full time employees" shall be those employees who are scheduled to work the regular, weekly full-time schedule established by the location at which they are employed, but not less than 35 or 40 hours hours per week depending on the employees assigned work schedule..

**501.2.2. Policy** Those employees who work fewer hours than 30 hours per week, but are regularly scheduled to work a minimum of 17.31 hours per week in a calendar year, are "**pension eligible part-time employees.**" Not all parishes, agencies or institutions participate in the pension plan. Employees who only work during the 9 months in The school year will have their average hours calculated over the 9 month school year and not the calendar year.

**501.2.3. Policy** Those employees who are regularly scheduled to work fewer than the established full-time 35 or 40 hours per week, but more than the 17.50 hours per week are "**regular part-time employees,**" and entitled to employee benefit programs for which they meet the eligibility requirements.

**501.2.4. Policy** Those employees who are regularly scheduled to work fewer than **17.30** hours per week in a 12 month calendar year shall be a "**on-regular part-time employee**" and shall ot be eligible to participate in employee benefit programs.

**§501.3. Independent Contractor vs. Employee**

*In general, all persons receiving compensation from the parish should be listed as employees. Individuals considered independent contractors are the limited exceptions to this general rule. These exceptions generally do not apply to most parishes, but are designed primarily to cover professionals such as lawyers, architects and accountants as opposed to maintenance workers, catechists, organists, cooks and housekeepers, receptionists, etc. Those who receive incidental payments such as payments to catechists (\$50 at Christmas and \$50 at the end of the year) should not be considered employees or independent contractors.*

*The Internal Revenue Service has 20 factors to be used to evaluate whether an individual is an employee or not. If the majority of these factors exist for the individuals hired, then they should be considered "employees."*

**501.3. Policy** If the majority of the following factors exists for an individual who receives compensation from a parish, school or agency, then they shall be considered employees.

**Factors**

1. Worker is required to comply with instructions about when, where, and how work is done.
2. Worker needs to be trained.
3. Worker's tasks are integrated into normal business operations.
4. Worker's services must be personally rendered.
5. Worker is not responsible for hiring, paying, or supervising assistants.
6. Worker has continuing relationship with the "employer."
7. Working hours are set by "employer."
8. Worker is required to devote full-time efforts to "employer's" business.
9. Job must be performed on "employer's" premises.
10. Worker's services must conform to order or sequence set by "employer."
11. Worker is required to submit regular or written reports.
12. Worker's payment is based on time spent instead of by the job.
13. Worker is reimbursed for travel and other expenses.
14. "Employer" furnishes tools, materials, and other equipment.
15. Worker has no significant investment in facilities (such as an office).
16. Worker has no risk of real economic loss.
17. Worker is not working for more than one "employer" at a time.
18. Worker does not make services available to the general public.

19. Worker is subject to discharge without “employer” penalty even if job specifications are met.
20. Worker can terminate relationship with “employer” without worker liability.

#### **§501.4. Time Sheets and Work Schedules**

*The Fair Labor Standards Act (FLSA) is the federal law that addresses the payment of overtime wages to employees who are not exempt from its provisions. FLSA also requires that **non-exempt employees** complete their own time records for each work week, and submit them to the employer. Illinois Administrative Code Title 56:, Chapter I: Department of Labor, Part 300 Payment and Collection of Wages or Final Compensation, Section 300.630 Records and Notice Requirements of the Illinois Wages Payment and Collection Act requires that regardless of an employee’s status as either an exempt administrative employee, executive, or professional, every employer shall make and maintain for a period of not less than three (3) years, true and accurate records for each employee to include the hours worked each day in each work week and submit them to the employer. This is intended to ensure that non-exempt employees are properly paid, and that they receive any overtime wages they may have coming. Time records are also necessary as documentation of an employee’s hours in the event a dispute should arise over compensation issues. Time records for all exempt and non-exempt employees is required under Diocesan policy as a means of administering our various paid time-off benefits and our health insurance and pension benefits eligibility.*

##### **§501.4.1. Full-Time Exempt Employees**

<p><b>501.4.1. Policy</b> Every exempt full-time employee shall complete and submit a time record according to the following procedures.</p>
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##### ***Procedure***

- a) Time records are submitted on a weekly, bi-weekly or semi-monthly basis, as appropriate in keeping with the local pay frequency.
- b) A record of hours worked each week is required for all exempt employees.
- c) Time records must be signed, or electronically approved by the employee and his/her direct supervisor prior to submission to the payroll processor.
- d) The supervisor must maintain a copy of all time records. Electronic time keeping systems auto retain this information. For paper time

keeping systems the supervisor, not the employee must deliver or mail the time record to the payroll department. Electronic time keeping systems will auto deliver the time record to the payroll department once approved by the supervisor.

- e) Work schedules and break periods are determined locally.

#### **§501.4.2 Full-Time Non-Exempt Employees**

**501.4.2. Policy** Every non-exempt full-time employee shall complete and submit a time record according to the following procedures.

##### ***Procedure***

- a) Time records must be submitted on a weekly, bi-weekly or semi-monthly basis, as appropriate in keeping with the local pay frequency.
- b) Non-exempt full-time employees are required to indicate the total hours worked each day, excluding lunch periods. When applicable, employees are to indicate the type of absence where requested. A line must be drawn through open dates and spaces before the supervisor signs the time record.
- c) Time records must be signed by the employee and his/her direct supervisor prior to submission to the Payroll Processor.
- d) The supervisor must maintain a copy of all time records. The supervisor, not the employee, must deliver or mail the time record to the payroll department.
- e) Work schedules and break periods are determined locally. Employees scheduled to work 7.5 hours in a day are entitled, under state law, to an unpaid meal period of not less than 20 minutes, which must be taken in the first 5 hours of work. Actual meal period eligibility for employee working less than 7.5 in a day are determined locally, but if granted should not be less than 20 minutes and should not exceed 1 hour without the approval of the employee's direct supervisor.

#### **§501.4.3 Part-Time Employees**

**501.4.3. Policy** Every part-time employee shall complete and submit a time record according to the following procedures.

***Procedure***

- a) Time records must be submitted on a weekly, bi-weekly or semi-monthly basis, as appropriate in keeping with the local pay frequency.
- b) All exempt and non-exempt part-time employees are required to indicate the total hours worked each day, excluding lunch periods. Where applicable employees are to indicate the type of absence where requested. A line must be drawn through open dates and spaces before the supervisor signs the time record.
- c) Time records must be signed by the employee and his/her direct supervisor prior to submission to the payroll processor.
- d) The supervisor must maintain a copy of all time records. Electronic time keeping systems auto retain this information. For paper time keeping systems the supervisor, not the employee must deliver or mail the time record to the payroll department. Electronic time keeping systems will auto deliver the time record to the payroll department once approved by the supervisor.
- e) Work schedules and break periods are determined locally. Employees scheduled to work 7.5 hours in a day are entitled, under state law, to an unpaid meal period of not less than 20 minutes, which must be taken in the first 5 hours of work. Actual meal period eligibility for employee working less than 7.5 in a day are determined locally, but if granted should not be less than 20 minutes and should not exceed 1 hour without the approval of the employee's direct supervisor.

**§501.5 Absences and Tardiness**

**501.5. Policy** If for some reason an employee will be absent from work, or significantly late in arriving, the employee shall notify his/her supervisor no later than the locally specified time period past the employee's scheduled starting time. Excessive absence or tardiness may result in disciplinary action, including discharge, as provided in §1103 Employment Issues.

## §502 CIVIL AND CANON LAW

**502.1. Policy** The Diocese of Springfield in Illinois shall follow all applicable civil and canon laws pertaining to the employment of church personnel (see especially Canon 231).

**Note**

This policy covers the numerous laws and regulations that are not mentioned in this manual, but which the Diocese follows. Some civil and canon laws will be covered in this manual because of their importance and frequency of application in the Diocese.