

# Payroll Guidelines for Paid and Volunteer Coaches & Substitute Teachers

## Defining the Exempt/Non-Exempt Status under the Fair Labor Standards Act

### Paid and Volunteer Coaches

1. Coaches are classified as non-exempt employees and eligible to receive time and  $\frac{1}{2}$  in overtime pay (OT) for all hours worked over 40 in a work week.
2. The following are exclusions from this rule:
  - a) Coaches are exempt from OT if they hold a full-time teaching position as their main job responsibility and perform coaching duties for the school in addition to their regular teaching duties.
  - b) Athletic Directors, Head Coaches, and possibly some Assistant Coaches<sup>1</sup> are exempt from OT pay due to their job responsibilities **AND** in addition are receiving a minimum salary of \$455 per week and \$23,660 in salary in a year.
  - c) *Volunteer* Coaches can be considered to be a volunteer and exempt from the overtime rules under the following circumstances
    - i) the volunteer coaching services are different from the services they normally perform. (i.e. a teachers aid during the day and a volunteer coach for the school baseball team).
    - ii) The coaching duties are performed without pressure or coercion.
    - iii) The volunteer may receive a nominal fee as an annual stipend.
    - iv) **NOTE: A Coach currently paid as an employee cannot be change to volunteer status.**
3. Non-exempt coaches can be paid on a salary basis for each week of work by following the formula described below in #4. However, the non-exempt coach must track the number of hours worked per week to ensure that they are paid time and  $\frac{1}{2}$  for any hours worked over 40. The average number of hours worked per week and the resulting pay per week should be communicated to the coach either in the contract or on a separate document listing the *hourly rate of pay, the average number of hours worked per week and the resulting weekly salary.*

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<sup>1</sup> Head coaches, and/or some assistant coaches may be responsible for developing effective recruitment strategies, recruiting and following up on prospective students, researching and targeting high schools and athletic camps as sources for potential student-athletes, preparing the game schedule, organizing and purchasing supplies, overseeing other coaches, etc. The duties are performed with freedom from direct supervision and involves, supervising other employees or requires specialized training. For example assistant coaches who create schedules, make purchasing decisions, and perform public relations work for a team could qualify as exempt because they are making discretionary judgments. An assistant coach who also serves as a team's certified athletic trainer may qualify as a professional because of his or her specialized training. An assistant coach who doubles as recruiting coordinators, academic counselors, teachers, or administrator would qualify as exempt under the FLSA.

**NOTE:** To control OT pay costs the parish policy should be that employees must receive authorization from their direct supervisor before working more than 40 hours in a work week.

4. **Formula:** An hourly rate of pay can be determined based on the annual stipend the coach has been receiving divided by the total number of hours the coach would work during a sports season.
  - **Example:** The coach receives a stipend of \$500.00 and works an average of 60 hours in the entire sporting season covering 12 weeks which calculates to 5 hours of coaching time each week (60 hours/12 weeks = 5 hours per week).  $\$500/60 \text{ hours} = \$8.33 \text{ per hour}$ . In this example the hourly rate of pay is above the minimum wage of \$8.25 per hour.

**NOTE:** The hourly rate of pay must not fall below the Illinois minimum wage which is currently \$8.25 per hour.

5. In the example above the reporting for payroll purposes for this coach calculates as follows:  $\$8.33 \times 5 \text{ hours per week} = \$41.65 \text{ in salary per week}$ , (or \$83.30 if a bi-weekly payroll), in the payroll record.
6. **Calculating OT:** This salary amount would change if the coach worked more than 40 hours in a work week (Sunday thru Saturday) by adding time and  $\frac{1}{2}$  for the hours worked over 40.
  - **Example:** Using the above pay rate of \$8.33 per hour time and  $\frac{1}{2}$  calculates to \$12.50 per hour for any portion of an hour or hours worked over 40. The employee worked 40.75 hours in a work week,  $40 \times 8.33 = 333.20$ . The OT in this case is calculated as a 75%, (a pro-rata portion of the full hour OT rate of \$12.50 per hour).  $75\% \text{ of } 12.50 = 9.38$ . The total salary earned for this employee is regular hours at \$333.20 + overtime rate of \$9.38 = \$342.58 in total salary earned. If the employee worked 41.00 hours the overtime rate is the full \$12.50 and the resulting salary is regular hours at \$333.20 + OT hours of \$12.50 = \$345.70.

## Substitute Teachers

The Federal Department of Labor has reiterated its position that substitute teachers may qualify as exempt under the FLSA if their primary duty is teaching and imparting knowledge in an elementary or secondary school. This is true whether or not they have an advanced degree so long as teaching is their primary duty.

### Exempt

1. The duties of the substitute teacher must include instructing students regarding a variety of classroom topics and courses of instruction, supervising students during the school day, making attendance reports, attending faculty meetings, grading work given to students during the day and preparing lesson plans for the following day, and special assignments given by the regular teacher or the principal.

2. Substitute teachers must be evaluated on an individual basis to determine whether they qualify for the teacher exemption contained in the FLSA regulations.
3. This regulation exempts “any employee with a primary duty of teaching, tutoring, instructing, or lecturing in the activity of imparting knowledge and who is employed and engaged in this activity as a teacher in an educational establishment by which the employee is employed.
4. The duties of substitute teachers qualify them for the exemption if their primary duty is teaching and imparting knowledge in an educational establishment.
5. The FLSA specifies that possessing a teaching certificate is one clear method of identifying employees as qualifying for the exemption. However, substitute teachers who are not certified, but who do work as teachers, are within the teaching professional exemption whether or not they possess an advanced academic degree.
6. The substitute teacher whose primary duty is teaching and who possess a teaching certificate would qualify for the teacher exemption. Likewise to #6 above the substitute teacher whose primary duty is teaching qualify for the exemption whether or not they hold a teaching certificate provided the individual is employed as a teacher by the employing school.

#### Non-exempt

1. Non-exempt. Substitute teachers whose primary duties are not related to teaching students (i.e., performing general clerical or administrative tasks for the school unrelated to teaching their assigned students, or manual labor - do not qualify for the teaching professional exemption.