Employment status policy

ABC Company maintains standard definitions of employment and classifies employees in accordance with these definitions [It should be noted that the qualification terms set forth below may vary based on the specific terms of applicable benefit plans]:

1. Full‑time: Employment in an established position requiring 40 hours or more of work per week. Full‑time employees are eligible for full participation in benefit programs.

2. Part‑time: Employment in an established position requiring less than 40 hours of work per week. Normally a part‑time schedule, such as portions of days or weeks, will be established. Participation in benefits programs for part‑time employees is limited to:

• Participation in the retirement plan, if the employee works over 1,000 hours in a year and is at least 21 years of age.

• Participation in paid company‑observed official holidays.

• Eligibility for workers’ compensation benefits.

3. Temporary: Employment in a job established for a specific purpose, for a specific period of time, or for the duration of a specific project or group of assignments. Participation in benefits programs for temporary employees is limited to eligibility for workers’ compensation.

Additionally, all employees are defined as either:

1. Exempt: Those employees who are employed in an executive, administrative, or professional capacity, or other legally exempted categories of employees, and who are *not* covered by the federal minimum wage and maximum hours laws; or

2. Non‑Exempt: Those employees who are not employed in an executive, administrative, or professional capacity, or other legally exempted categories of employees, and who are covered by the federal minimum wage and maximum hours law.

All employees, regardless of employment status, are subject to all Company rules and procedures.

It is our policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA). Therefore, we prohibit all company managers from making any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the company does not allow deductions that violate the FLSA. If you believe that an improper deduction has been made to your salary, you should immediately report this information to your direct supervisor, or to [insert alternative complaint mechanism(s)]. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

THIS POLICY IS LEGALLY DESIRABLE