



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)
FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

I. SCOPE:

This Administrative Regulation applies to all Loveland Fire Rescue Authority (LFRA) employees including Regular, Temporary and Seasonal.

II. PURPOSE:

This Administrative Regulation ensures that all LFRA employees have an understanding of pay decisions, employment changes, benefit status, and position classification.

III. DEFINITIONS:

- **FLSA** refers to Fair Labor Standards Act.
- **ACA** refers to the Affordable Care Act which encompasses the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.
- **Exempt** refers to employees in positions that are classified as exempt from overtime per FLSA.
- **Non-Exempt** refers to employees in positions that are classified as having the ability to receive overtime per FLSA.
- **Compensatory time** refers to time off with pay that is granted in lieu of overtime pay earned at one and one half times for every hour of overtime worked
- **De minimis** refers to insubstantial or insignificant periods of time outside scheduled work hours that need not be paid and is limited to no more than ten (10) minutes per work week.
- **Position classification** relates to how a position is categorized for purposes of pay (exempt or non-exempt).
- **Benefit status** relates to how a position is categorized for purposes of benefit eligibility (regular, temporary, or seasonal).
- **Employment change** refers to transfers/reassignments, promotions, voluntary or involuntary demotions, reclassifications, market adjustments, and/or restructuring that is not associated with a reduction-in-force. Placement in a temporary assignment and Police Department Collateral or Specialized assignments are excluded.

IV. POLICY:

Pay decisions are based on the following criteria: performance, qualifications, relevant experience, knowledge, skills, abilities, internal alignment, and external alignment with market and budget. All rates of pay will be within the pay range established for the position using a market-based approach, unless an exception is specifically approved by the Fire Chief.

Benefit Status

1. Regular Positions



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)

FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

A regular position is one that is needed on an ongoing basis. Regular positions can be further defined as either full-time or part-time, depending on the hours budgeted for the position.

- *Full-Time*

Full-time, regular positions are budgeted for 40 hours per seven day work period (216 hours in a 27 day work period for Fire shift personnel). Employees in such positions are eligible for LFRA's complete benefits package.

- *Part-Time*

Part-time, regular positions are budgeted for less than 40 hours per seven day work period (less than 108 hours in a 27 day work period for Fire shift personnel).

Employees in positions that are budgeted for less than 20 hours per seven day work period are not eligible for benefits but will receive the required workers' compensation coverage and social security contribution.

Employees in positions that are budgeted for 20 – 39 hours are eligible for LFRA's complete benefits package on a prorated basis determined by the number of work hours budgeted for the position. Employees in positions that are budgeted for 30 – 39 hours are eligible for medical benefits at the full-time benefit level.

A part-time regular employee's scheduled hours may exceed the employee's benefit level by no more than an average of four (4) hours per week as calculated on an annual basis. If the average is expected to go above four (4) hours per week, the supervisor must notify both the Division Chief or his/her designee and the Human Resources Director. Part-time regular employees must account for their budgeted hours each work week through hours worked and/or leave accruals.

If a part-time regular employee works more or less hours than budgeted for a position, the prorated amount of benefits coverage will not be automatically adjusted. At least annually, and in accordance with ACA, Human Resources will evaluate the hours worked and determine if a position's benefit status should be changed. LFRA will be notified of any budget implications. Changes are not retroactive and benefits are not paid retroactively.

- *Probationary Employment*

All Regular employees of LFRA are considered probationary until they satisfactorily perform the duties of their position for the required probationary period.

During the probationary period employees are considered "at will", meaning their employment may be terminated for any reason and there is no right to appeal the decision through the Administrative Regulation "Due Process".

The probationary period for employees is six (6) months from date of hire in a regular position, with the exception of LFRA Employees hired on or after January 1, 2016, whose probationary period is twelve (12) months. When the probationary period is satisfactorily completed, the employee is considered "for cause". "For cause" employees are eligible for due process as outlined in LFRA's Administrative Regulations "Due Process".



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)

FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

Employees shall receive a performance review upon the completion of the probationary period. At such time, employees may be eligible for a merit based increase.

2. Temporary Positions

Temporary positions are needed on a short-term basis and shall not exceed 12 months. These positions must average less than 30 hours per week unless an exception is approved by the Division Chief or his/her designee. Positions average 30 or more hours per week require a break in service of at least 13 consecutive weeks prior to being rehired or transferred to another temporary or regular non-benefit eligible position, unless an exception is approved by the Division Chief or his/her designee.

Employees in temporary positions are not eligible for benefits but will receive the required workers' compensation coverage and social security contribution. However, based on ACA requirements temporary employees may be eligible for medical insurance if it is a 30 or more hours per week position or if the employee averages 30 or more hours per week. If a temporary position lasts longer than expected, the employee filling that position is not automatically eligible for LFRA benefits. If an employee in a temporary position moves into a regular, benefit-eligible position, benefit coverage is not retroactive.

Employees holding any position in one year must apply for the same or similar positions in any following year. In accordance with LFRA's Administrative Regulation "Hiring Process", supervisory personnel are not authorized to make any representations to employees that they will be selected to fill the same position in the following year.

Temporary positions can further be defined as part-year, special assignment, DOL seasonal, or ACA seasonal based on the following parameters:

- *Part-Year*

These positions reoccur annually with LFRA and are budgeted to work ten (10) months or less out of any 12 month period. However, employment in part-year positions with LFRA will be terminated based upon the needs of LFRA.

- *Special Assignment (including internships)*

These positions are needed for a defined period of time which may not exceed 12 consecutive months. If a position is needed beyond the one year maximum, LFRA shall either request the position become a regular position through the budget process or request an extension from the Fire Chief.

- Internships are considered special assignments and can be further defined as:

- Paid Internships:

Internships classified as special assignments, which require pay at the minimum wage and overtime if the position does not meet the "unpaid internship" FLSA guidelines.



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)

FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

▪ Unpaid Internships

Under the FLSA, an internship need not be paid the minimum wage and overtime if the following six criteria are met:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the intern; and on occasion its operations may actually be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship; and
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

Position Classification

The Fair Labor Standards Act (FLSA) requires that all positions are classified as either exempt or non-exempt.

Non-exempt

The FLSA overtime provision applies to non-exempt positions. Employees in such positions are eligible to receive overtime pay or compensatory time at one and one-half times their regular rate of pay for hours worked over 40 in a seven day work period (over 216 hours in a 27 day work period for Fire shift personnel).

- Employees in positions that are classified as non-exempt by FLSA must report all time worked, with the exception of time considered de minimis.
- Non-exempt employees may be provided with a work break of 15 minutes within a consecutive four (4) hour period. The scheduling of a work break will depend on the needs of LFRA and is determined by the supervisor. Break time may not be accrued by an employee to extend a lunch period or to shorten the work day.
- Non-exempt employees must have supervisor approval prior to working overtime. This includes, but is not limited to, checking email, voicemail, text messages and other work-related duties outside of regularly scheduled hours. Employees must record all time worked (with the exception of de minimis time) regardless of supervisor pre-approval; However, working unauthorized overtime may lead to disciplinary action. The time records maintained by LFRA's timekeeping system are the only official record of hours worked. Any employee who has a separate record that varies from his or her reported hours worked is required to provide a copy of the alternate record to Payroll and Human Resources immediately at the conclusion of each pay period, to ensure



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054) FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

that any discrepancies can be promptly addressed so that the employee is paid fully for all hours actually worked.

- For any overtime worked it is at LFRA's discretion as to whether employees receive overtime pay or compensatory time. Employees who earn compensatory time may bank a maximum of 60 hours. If an employee has reached the maximum accrual for compensatory time the employee will receive overtime pay.
- Supervisors may require employees to exhaust accrued compensatory time before allowing the use of vacation leave.

Exempt

Employees in exempt positions are not eligible for overtime compensation. Per the FLSA exempt employees are not required to be paid for all hours worked. Employees in exempt positions are expected to work a minimum of 40 hours per workweek and are not required to be paid or given time off in lieu of pay for hours over 40 per workweek.

All employees in positions that are classified as exempt by FLSA are required to report hours as follows:

- Exempt employees must fill out a time sheet only when they need to document leave time (exception only reporting).
 - Exempt employees report all hours absent unless supervisors allow time off in recognition of excessive hours worked. This time off is not an accrual and should not be granted on an hour for hour basis
- Division Chief or his/her designees may consider granting paid administrative leave time, for future use, up to a maximum of 16 hours per year to exempt employees. Upon granting paid administrative leave, Division Chief or his/her designees shall notify the Human Resources Director. Division Chief or his/her designees may request additional administrative leave with Fire Chief approval. This administrative leave is not to be granted on a formula basis.

Division Chief or his/her designees may require additional time reporting requirements for internal LFRA documentation in order to compile data on time worked by project basis or similar operational data. Such time reporting is not to be confused with the exception only time reporting required for payroll.

Exempt employees must be paid on a salary basis. This means exempt employees will regularly receive a predetermined amount of compensation each pay period on a weekly basis. LFRA is committed to complying with salary basis requirements which allow for properly authorized deductions.



ADMINISTRATIVE REGULATION (AR)

**PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)
FESSAM #7E.1 & 7E.2**

Effective: 01/01/2016

If an exempt employee believes an improper deduction has been made to his or her salary, the employee should immediately report this to Human Resources. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed.

Basis For Mandate:

- Fair Labor Standards Act
- Patient Protection and Affordable Care Act (PPACA)

V. PROCEDURE:

Employment changes are made at the discretion of the Division Chief or his/her designee in compliance with relevant regulations and procedures and in consultation with the Human Resources Department.

- Employment change refers to transfers/reassignments, promotions, voluntary or involuntary demotions, reclassifications, market adjustments, and/or restructuring that is not associated with a reduction-in-force. Placement in a temporary assignment or Specialized assignments are excluded.

Regular employees are afforded due process, as outlined in LFRA's "Due Process" Administrative Regulation, for employment changes that result in an adverse impact on base pay (excludes Collateral, Specialized and temporary assignments). For all other employment changes employees may utilize the procedures in the "Open Doors" Administrative Regulation.

Unpaid Leave

If an employee is unable to perform the essential functions of their position, they may be placed on unpaid leave in accordance with LFRA's Administrative Regulation "Due Process".

Voluntary Demotions

If an employee chooses a voluntary demotion, i.e. an employee voluntarily chooses to apply for and is selected for a position in a lower pay grade, pay rate, and/or reduced budgeted hours, the employee's accrued leave will be handled as follows:

- The employee accrues leave at the appropriate rate regarding length of service with LFRA, budgeted hours and classification of the new position.
- All unused medical leave and floating holiday leave for the year remains intact for the employee in the new position.



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)

FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

- If an employee is eligible for "Banked Sick Leave", balances are paid out at the time of separation of employment from LFRA and are based on the employee's rate of pay at the time of separation.
- All accrued vacation leave in excess of the maximum accrual appropriate to the employee's new benefit status is paid out at the higher rate of pay at the time of the change. Any remaining balance is carried over into the employee's new position.
- Upon separation of employment from LFRA, the employee is entitled to a payout of applicable accrued leave based on the employee's rate of pay at that time.

Acting / Interim Assignments

If an employee is temporarily assigned to a position assuming a leadership role with a higher level of responsibility (excluding individual development plans) for more than two consecutive weeks (27 day work period for Fire shift personnel), the employee is eligible for a temporary pay increase for the acting/interim period from the first day of assignment. The employee shall receive either a 5% increase to their base pay level or move to the minimum of the higher positions' pay grade, whichever is greater. An acting/interim assignment does not affect benefits status or position classification.

Fire Shift Schedule

An employee who moves from a position on the Fire shift schedule to a position on a non-Fire shift schedule will have all leave converted to the applicable leave balance for the new position and will accrue leave at that applicable rate.

Reclassification and/or Position Review

Requests for position or reclassification reviews shall be made through the Human Resources Department. Any request for a reclassification or position review requires Division Chief or his/her designee approval. It may become necessary to reduce or raise the pay of an employee due to an employment change. If an employee's pay is reduced or raised, the new rate of pay will be within the range established for the employee's position based on job analysis and compensation review.

VI. OTHER RELATED REGULATIONS & PROCEDURES:

Medical Leave	Effective: 01/01/2016
Vacation Leave	Effective: 01/01/2016
Conduct, Performance, and Discipline	Effective: 01/01/2016
Due Process	Effective: 01/01/2016
Reduction-in-Force	Effective: 01/01/2016
Open Doors	Effective: 01/01/2016
Hiring Process	Effective: 01/01/2016



ADMINISTRATIVE REGULATION (AR)

PAY AND EMPLOYMENT DECISIONS (Revised from City AR-00054)
FESSAM #7E.1 & 7E.2

Effective: 01/01/2016

VII. LFRA FIRE CHIEF SIGNATURE:



Mark Miller, Fire Chief