

3/1/82

Dear

This is in reply to your letter of January 29, 1982, concerning a sick leave plan of your client. You wish to know whether deductions from salaries made in accordance with the plan will affect the status of certain employees of your client, who are considered to be exempt under section 13(a)(1) of the Fair Labor Standards Act.

Your client's sick leave policy applies to employees after one year of service. The policy also requires a three-day waiting period before sick pay benefits begin. You ask whether deductions for absence because of sickness, made from the salary of an otherwise exempt employee, before an employee qualifies under the plan, would affect the employee's exemption status. As indicated in section 541.113(a)(3) of Regulations, 29 CFR Part 541, deductions for absences of a day or longer because of sickness or disability may be made before an employee has qualified for payment of sick benefits under the plan. Such deductions may be made provided they are in accordance with a bona fide plan, policy, or practice of providing compensation for loss of salary occasioned by both sickness and disability.

Please let us know if you have further questions.

Sincerely,

William M. Otter
Administrator