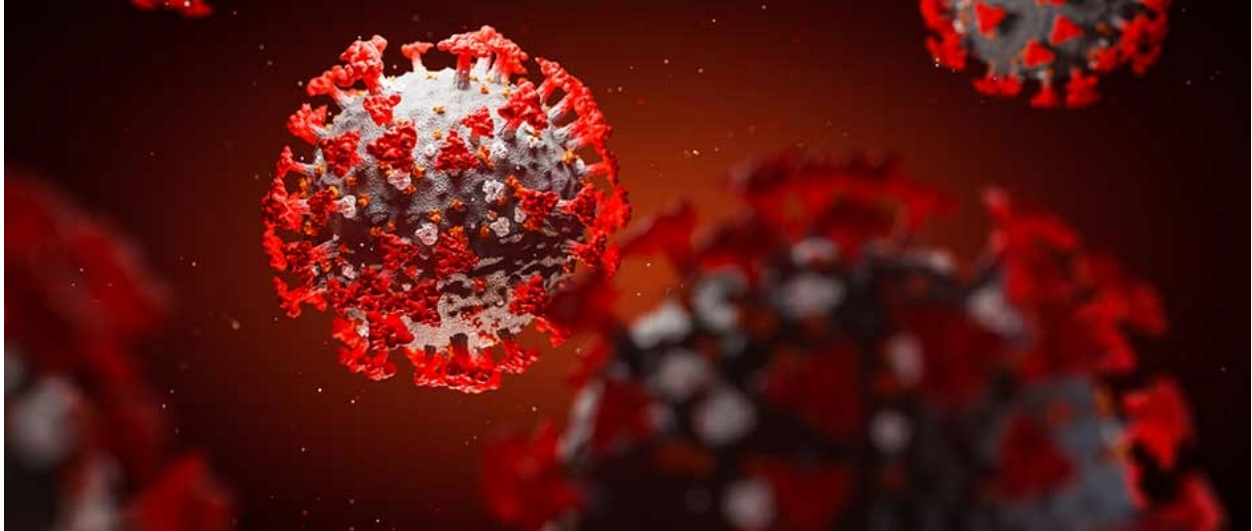


Calculating Pay for FFCRA Purposes



The FFCRA period begins on the first date of leave. You do not need to re-calculate for additional leaves under this Act (or for intermittent leaves). Note that Paid Leave requirements under FFCRA are lessened for a business with fewer than 50 employees.

If your employee receives no compensation in addition to their fixed salary or fixed hourly rate, you may use the hourly rate or an hourly-equivalent of that salary (for example, weekly salary divided by number of hours in a regular workweek) to calculate their average rate of pay.

Otherwise, for Exempt/Salaried Employees, if your employee works varying hours and/or receives other compensation (bonuses, commissions, etc.):

Select your review period. Choose the lesser of:

The employee's full period of employment (for newer hires), or

The six-month period ending day before employee takes leave. (The FAQ from the DOL seems to indicate that a full 26 workweek can be used, even if this means that your measurement period ends a few days before the employee takes leave.)

Add up the salaries and additional compensation (commission, non-discretionary bonuses, etc.) provided over the same period. You should exclude leave time whether paid or unpaid.

Divide the total pay by the total number of hours worked to get the hourly average rate. This can be hard for salaried employees; however, your job description or work instructions may state their expected hours worked (often this may be above 40 for salaried employees). Make your best estimate with the information you have. You should not count time when the employee took leave whether paid or unpaid.

For Non-Exempt/Hourly Employees:

Select your review period. Choose the lesser of:

The employee's full period of employment (for newer hires), or

The six-month period ending day before employee takes leave. (Rounding to 26 full pay periods should be acceptable.)

For your chosen period (above), calculate total regular rate pay:

Add up all pay during that period which would have been used to calculate the regular rate of pay. (For tipped employees, this would include the tips applied towards minimum wage obligations.)

You may refer to the FLSA 29 CFR Parts 531 for tipped employees & 778 for details. In general, this includes:

Regular rate of pay for all hours worked (not the 50% overtime premium), discretionary bonuses, piece rate, commission payments, etc.

This amount does not include periods such as PTO or vacation that are not calculated into overtime payments.

Divide the total regular rate pay (above) by total number of hours worked in the period.

To determine the total number of hours worked in the period. Include overtime hours, but not non-work hours such as vacation, PTO, etc.

Compare to the highest minimum wage applicable to your area:

If lower, use the minimum wage as your average rate. Otherwise, use the rate you calculated.

This average rate of pay will be used at 100% for certain types of leave under the EPSLA, and will be used at 2/3 for other leave (such as caring for someone on quarantine or caring for children due to lack of childcare).

CALCULATION OF AVERAGE WORKWEEK/DAY FOR FFCRA PURPOSES

The goal of calculating the average workweek is to truly determine a "standard" number of hours. For that reason, any scheduled period even if the employee is out on a personal or other leave must be counted.

<p>Employee has same hours every week (no variation to schedule).</p>	<p>Use standard workweek schedule. (For emergency sick paid leave, cap leave hours paid at 80.)</p>
<p>Employee has recently had a reduction in hours or has a varied schedule and has worked for 6 months or more.</p>	<p>Calculate average hours over past 6 months:</p> <p>To determine the total number of hours worked in the period, include ALL hours (including leave, paid or unpaid, but excluding "off-season periods" where the employee did not work.)</p> <p>For Emergency Paid Sick leave:</p> <p>Divide total hours by all CALENDAR days, then multiply by 14. Cap this amount at 80 hours.</p> <p>For Emergency FML:</p> <p>Divide total hours by scheduled workdays in period to get average number of hours per workday.</p>

Contact Pinnacle’s HR Department for further assistance at (210) 344-2088.