



LIFEWISE PAY STRUCTURE FAQ

Payroll Categories

LifeWise employs staff members in of the following three categories:

- ◆ Part Time (Hourly)
- ◆ Flex Full Time (Hourly)
- ◆ Full Time (Salary)

The terms “exempt” and “nonexempt” are used to identify groupings of jobs as covered in the Fair Labor Standards Act (FLSA). Non-exempt employees are non-managerial staff who, regardless of title or function, are required to track their hours and are eligible for overtime pay provisions as noted by the FLSA. All LifeWise employees who do not meet the qualifications for exemption are included in the term “nonexempt.”

Why Aren't There More Options?

- ◆ **Consistency** – Rapid growth is most manageable when there is a standard process in place. Scalability can be achieved by compensating all part-time employees using the same pay structure.
- ◆ **Simplification** – Asking all part-time employees to be paid hourly eliminates the need for multiple employment offer templates. It also streamlines the payroll process each month. Again, very important as we continue to add many new employees.
- ◆ **Fairness** – Hourly employees get paid for all the hours they work
- ◆ **Compliance** – The Fair Labor Standards Act (FLSA) requires employers to pay a minimum wage and overtime pay for all employees who are not otherwise exempt. Timekeeping is necessary in order to comply with these regulations.

Aren't Teachers FLSA Exempt?

- ◆ According to the FLSA, teachers are exempt if their primary duty is teaching, tutoring, instructing or lecturing in the activity of imparting knowledge, and if they are employed and engaged in this activity as a teacher in an educational establishment
- ◆ Although LifeWise Academy is certainly engaged in teaching children, the Department of Labor could deem LifeWise Academy as a religious organization rather than an educational establishment
- ◆ If considered a religious organization, LifeWise Academy could be out of compliance with the FLSA if we are not able to show that we have paid employees a minimum wage and compensated employees for overtime worked
- ◆ The safest and simplest method for complying is to convert all teachers to non-exempt hourly employees