

When is it OK to punish by docking pay?

Q. May I dock an employee's pay as a penalty for disciplinary infractions?

A. You must pay nonexempt employees for all the time they work, so you cannot retroactively dock their pay as a disciplinary measure.

An employer may only dock an exempt employee's pay for penalties imposed in good faith for infractions of safety rules of major significance. That includes those related to the prevention of serious danger in the workplace or to other employees, such as rules prohibiting smoking in explosive plants, oil refineries or coal mines.

You may impose an unpaid suspension as discipline for both nonexempt and exempt workers. In the case of the exempt worker, however, the unpaid suspension must be pursuant to a written disciplinary policy regarding infractions of workplace conduct rules. It must be for serious misconduct, not performance or attendance issues, and the unpaid suspension must be for at least one full day.