

## **MadeUpName, LLC**

### **Employment Classification Policy**

#### **Purpose**

This policy ensures that all workers at MadeUpName, LLC are properly classified in accordance with federal and state labor laws. Correct classification supports compliance with wage, benefit, and tax obligations.

#### **Scope**

This policy applies to all individuals performing work for MadeUpName, LLC, including employees, contractors, and interns.

### **1. Employment Categories**

MadeUpName, LLC classifies workers as follows:

- **Full-Time Employee:** Regularly scheduled to work 30 or more hours per week and eligible for full company benefits.
- **Part-Time Employee:** Regularly scheduled to work fewer than 30 hours per week. May be eligible for prorated benefits.
- **Temporary Employee:** Hired for a specific project or duration, typically less than six months. Not eligible for standard benefits unless required by law.
- **Intern:** Engaged for a fixed-term educational or developmental experience. May be paid or unpaid, depending on applicable labor laws.
- **Independent Contractor:** Provides services under a contract or agreement. Not an employee and not eligible for employee benefits.

### **2. Exempt vs. Non-Exempt Classification**

- **Exempt Employees:** Paid on a salary basis and not eligible for overtime pay. Roles typically include executives, managers, professionals, and certain technical positions that meet the criteria under the Fair Labor Standards Act (FLSA).
- **Non-Exempt Employees:** Eligible for overtime pay for all hours worked beyond 40 per week, in accordance with the Time Tracking & Overtime Policy.

### **3. Determining Worker Status**

- HR and management will determine classification based on:
- The degree of control the company has over the work performed.
  - The financial relationship between the worker and the company.
  - Whether the work is integral to the company's business.
  - Federal and state definitions under the FLSA and New York State Department of Labor.

### **4. Review and Reclassification**

- Classifications will be reviewed periodically to ensure compliance with law and business needs.
- Reclassification may occur if an employee's role or working conditions change.
- Any reclassification will be documented and communicated in writing.

## **5. Contractor Engagements**

Before hiring an independent contractor, a written agreement must be in place defining project scope, payment terms, and deliverables. Contractors are responsible for their own taxes and insurance.

## **6. Compliance**

Improper classification can result in penalties and back pay obligations. All managers and HR staff must ensure accurate classification before onboarding.

## **7. Recordkeeping**

HR will maintain records of all employment classifications, contracts, and related documentation in accordance with the HR Documentation & Recordkeeping Policy.

**Effective Date:** January 2025

**Next Review Date:** January 2026

**Policy Owner:** Human Resources Department