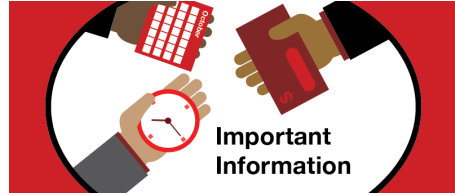


Fair Labor Standards Act (FLSA) Information Session



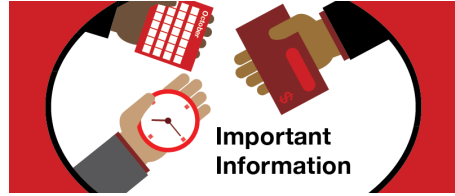
Agenda

- Background/Overview
- What is the impact on UoL?
- What happens next?
- Questions?



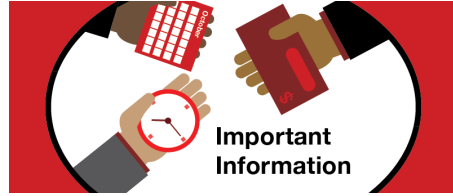
Today's Scope

Does not include specifics on individual positions that may be changing



What is FLSA?

- The Fair Labor Standards Act (FLSA) determines whether a position is eligible for overtime pay
- Positions are either ***exempt*** or ***non-exempt***
 - **Exempt** - *Not eligible for overtime pay*
 - **Non Exempt** - *Overtime pay at time-and-a-half for hours worked over 40 hours per week*

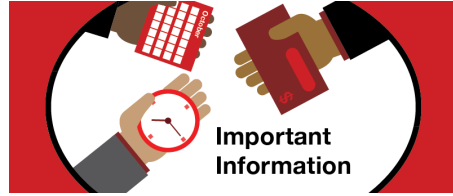


Determining Exempt Status

Position must pass **all** three tests

- 1. Salary Basis Test:** Be paid on a fixed salary basis, not hourly;
- 2. Duties Test:** Must pass tests under executive, administrative or professional requirements and;
- 3. Salary Test:** Must be above the minimum **current** threshold of \$23,660

If any of these test are not met, then the position is non-exempt and eligible of overtime pay



Duties Test Exemption

EXECUTIVE

Primary Duties:

Managing the enterprise or department or subdivision of the enterprise **and** *manage at least 2 FT employees*

ADMINISTRATIVE

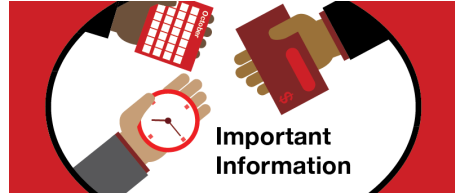
Primary Duties:

Includes independent discretion and judgement in matters of significance

PROFESSIONAL

Primary Duties:

Perform work that requires advanced knowledge in science, learned or creative professional



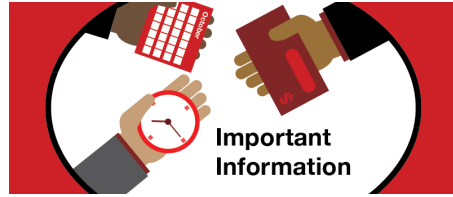
2016 FLSA Update

- On May 18, 2016 the U.S. Department of Labor issued a final overtime rule that **changes the exempt employee minimum salary to \$47,476** – more than double the old minimum of \$23,660
- ***New rule effective December 1, 2016***
- *There were no changes to the duties test*



Impact on UoL

- **Approximately 1675 (69%) of staff Professional and Administration staff fall below \$47,476 threshold**
- **In order to ensure compliance, we:**
 - Reviewed job descriptions of impacted positions
 - Considered impact on annual leave accruals, morale, pay frequency, work-place flexibility, pay ranges, etc.
 - Developed implementation plans with payroll and university systems



Impact on UoL

HIGHER EDUCATION EXCEPTIONS – Exempt from Overtime

- **Teachers (Faculty):** Primary duty is teaching, tutoring, instructing, or lecturing; ***must*** meet teacher entry salary requirement
- **Academic Administrative:** Includes Academic Counselors, Academic Advisors; ***must*** meet teacher entry salary requirement
- **Postdoctoral Researchers:** *Primary duty is teaching (humanities)*
Note: PostDocs whose primary duty is research (sciences) are not exempt from overtime
- **Coaches:** Primary duty is teaching/instructing athletes in how to perform their sport; *if primary duty is recruiting or manual labor, subject to overtime.*
- **Academic Administrative Personnel:** Administrative functions directly related to instruction or training (i.e. department heads, academic counselors and advisors, etc.)
- **Students:** Graduate, Research Assistants & Residential assistants



Impact on UoL

- **Some positions will switch from *Exempt* to Non Exempt**
- **Some positions will remain exempt**
 - If position remains exempt individuals in these position who do not meet salary threshold will receive increase to \$47,476



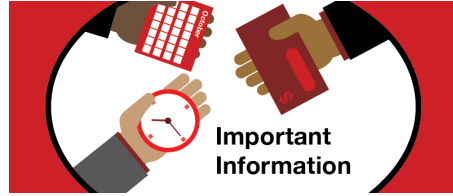
Switching from Exempt to Non Exempt

- **What will Change?**

- All hours worked will be reported, including overtime & time off
- Hours worked beyond 40 hours per week will be paid at time and a half
- Pay frequency will change from monthly to bi-weekly

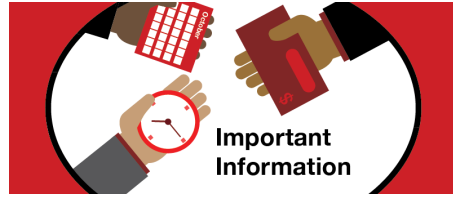
- **What Will NOT Change?**

- Current employees switching to non-exempt will not see any changes in their leave accruals or benefits



Key Dates

- **September 22th - 28th** : Information Sessions
- **Beginning September 29th** : All P&A employee will be notified of status
- **October**: Supervisor & Employee Training
- **November 1**: Employee Status Change effective
- **December 1**: Employee salary change effective



QUESTIONS / COMMENTS