



FLSA Audit Results

Staff Senate

July 2018



Fair Labor Standards Act (FLSA)

- The Fair Labor Standards Act of 1938 (as amended) determines the exemption status of jobs (i.e., exempt or nonexempt)
- Jobs determined to be “exempt” are not eligible for overtime pay
- Jobs determined to be “nonexempt” are eligible for overtime pay and employees in those jobs must be paid overtime at one and one-half times their regular rate of pay
- There are two tests that must be satisfied -
 - ✓ Salary test
 - ✓ Duties test



FLSA Changes

December 2016

- 115 jobs at UofL were reviewed and changed from exempt status to nonexempt status in December 2016 based upon amended guidance from the Department of Labor
- There were approximately 700 employees in the 115 jobs that were changed to nonexempt status
- Because of questions from leaders and employees, HR committed to engaging a third-party HR consultant to review the changes and provide feedback to UofL



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- IntegrityHR, the firm engaged to review the 115 jobs changed from exempt to nonexempt status, was provided the same documentation used by the Compensation department in determining FLSA status in December 2016
- Of the 115 jobs, IntegrityHR determined that 4 jobs (3.5%) would be “unassigned” meaning that they were borderline exempt/nonexempt
- IntegrityHR concurred with the remaining 96.5% being classified as nonexempt
- The 4 jobs have a total of 5 incumbents (or 0.7% of the total impacted employees)



FLSA Audit

Next Steps

- Based on the feedback from IntegrityHR on the four jobs identified as unassigned, Compensation will conduct additional research on the jobs to make a final determination, which will include discussion with the jobs' managers
- Should additional research result in a change from nonexempt to exempt, the impacted employees and their managers will be notified