

2016 Fair Labor Standards Act Changes and Frequently Asked Questions

On May 18, 2016, the U.S. Department of Labor released updated regulations that employers must follow in order to comply with the Fair Labor Standards Act (FLSA). These changes increase the number of employees eligible for overtime pay at the university and across the country.

Eligibility for overtime pay is determined by certain tests of job duties and pay. Under the new rules, employees must be classified as non-exempt and will be eligible for overtime pay if their annual salary is below \$47,476, up from the previous salary threshold of \$23,660 a year. The change takes effect on December 1, 2016. The Department of Labor will also update the salary threshold every three years going forward, beginning in 2020.

What is the FLSA?

The Fair Labor Standards Act (FLSA) determines whether a position is eligible for overtime pay. An “exempt” position is not eligible for overtime pay. A “non-exempt” position is eligible and must receive overtime pay at time-and-one-half for any hours worked above 40 hours in one workweek.

A position may be considered exempt under the FLSA if it meets three tests.

1. Employee must be paid on a salary basis, not an hourly basis
2. Duties must meet criteria for executive, professional, administrative, computer or outside sales activities
3. Compensation rate must be at least \$47,476 annually (effective December 1, 2016)

If any one of the three tests is not met, the employee must be classified as non-exempt and eligible for overtime pay. Please note that exempt classification is an option, not a requirement under the law. A position that meets all three tests may still be classified as non-exempt.

Is there a special category for academic administrators?

Yes. There is a special exemption for academic and college administrators for those that interact with students outside of the classroom such as department heads, academic counselors and advisors, intervention specialists and others with similar responsibilities. If you are placed in this category, you may remain exempt if you are paid at least as much as the entry level for teachers at the University.

How and when will I know if my position is being reclassified to non-exempt?

The University has been reviewing positions in October and November and will communicate changes in November.

If my position is reclassified, when will the change be effective?

On December 1, 2016

If my position is reclassified to non-exempt, am I being demoted?

No. You continue to be a valued University or Theatre administrator and professional. This change in classification and pay date is solely a required procedural change that allows us to be compliant with the change in federal regulations.

How often will I be paid if I am non-exempt?

You will be paid bi-weekly (every other Thursday) based on the hours reported on your electronic timesheet.

In 10 of the 12 months in year, you will be paid on two paychecks. Because the total number of pay dates in each calendar year is 26, there will be two months of the year that you will receive three paychecks. For 2017, these months are July and December.

What is a full-time work week?

37.50 hours per week for administrators of the University and 40 hours per week for Auditorium Theatre administrators.

How does this impact my work schedule and breaks for meals or to run errands?

You will work with your supervisor to ensure that you work 37.50 hours per week (excluding lunch breaks). The work week runs from Sunday to Saturday each week.

Your meal breaks including running errands or doing personal business is not paid. You will be expected to record your meal break on your timesheet.

How will my regular hourly rate be determined?

Your regular hourly rate is equal to your annualized salary divided by 1,950 hours per year (37.50 hours/week X 52 weeks/year). For example, an employee with a gross base salary of \$3,333.33 per month has an annual equivalent salary of \$40,000 per year. His/her hourly rate will be \$20.512821 (\$40,000 base per year / 1,950 hours). The regular hourly rate will initially be 6 decimal places to ensure accuracy.

When will I be eligible for overtime and at what pay rate?

Any time worked in a work week (Sunday to Saturday) above 40 hours will be paid to you at a rate that is 1.5% of your regular hourly rate. Hours worked from 37.51 through 40 hours will be paid at your regular hourly rate.

Only time worked is counted toward the 40 hours per week required for overtime pay. Absence time such as vacation, sick, holiday, military reserve duty, funeral, disability, time for jury duty and any other paid time off does not count toward the 40 hours per week of time worked that is required for overtime pay.

Will I need pre-authorization by my supervisor to work more than 37.50 hours per week?

Yes. Your supervisor must approve all work hours in excess of 37.50 hours in advance.

How do I complete and submit my timesheet?

You will complete your timesheet in RU Access on days that you work and submit it no later than the Saturday before the bi-weekly pay date. If you do not work on a Saturday, you can submit it on Friday.

How will my benefit contributions change?

Most of your benefit deductions will be withheld from each of two bi-weekly paychecks per month with the exception of commuter transit and parking which will be withheld on the second bi-weekly paycheck each month.

Do I have to fill out new direct deposit form or benefit forms?

No

Will my vacation time that I earn change?

No. The total vacation days that you earn will remain the same. You will earn vacation hours each bi-weekly pay period.

Can I take partial vacation days?

Yes. If you are non-exempt, you request and take paid time off in increments of 15 minutes now.

Will I earn sick days?

Yes. You will earn sick days each year. You will also be able to use sick days to care for selected family members under a new law. The amount of sick days earned each year will be announced with a new policy shortly.

Will I earn personal days?

No. You may use vacation days for personal time off needs.