

2016 Fair Labor Standards Act (FLSA) Town Hall Meeting

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FLSA Task Force Members

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FLSA Background

First enacted in 1938, the FLSA established three tests that must be met in order for an employee to be exempt from overtime pay eligibility*:

- **Duties Test** - the employee's job duties must primarily involve executive, administrative, professional, computer or outside sales duties (also known as "EAP" or "white collar" duties)
- **Salary Basis Test** - the employee must be paid a predetermined and fixed salary that is not subject to reduction because of variations in the quality or quantity of work performed;
- **Salary Level Test** - the amount of wage/salary paid must meet a minimum specified amount: \$913 per week

Updates to FLSA

- Must be implemented by December 1, 2016 (UA implementation will be payroll beginning date of November 21, 2016)
- The minimum salary threshold for individuals to be exempt from overtime will increase from \$455 per week to \$913 per week.
 - UA is using 2088 hours-per-year to calculate earnings, so \$913 per week is \$22.83 per hour or \$47,659 annually
- Based on today's population, approximately 2200 current University exempt employees will not meet the higher proposed salary threshold of \$913 per week.

Those employees will:

 - Become non-exempt;
 - Qualify for overtime pay (or compensatory time) if they work more than 40 hours-per-week; and
 - Track and report all hours worked (positive time reporting)

Positions with Unique Considerations Under FLSA

There are several position types that qualify for special treatment under FLSA.

Always exempt from overtime:

- Physicians
- Attorneys
- Teachers

Exempt from overtime if weekly salary is equal to or greater than average starting salary for teachers and duties also qualify:

- Academic Advisors
- Coaches
- Academic Administrators

Exemption from time and a half overtime:

- Agriculture employees earn regular rate of pay for hours over 40 each week

Note: The Division of HR determines exemption status for all positions



A Few Things to Know

- **2016 Closure**
 - Currently non-exempt employees can use comp time as usual
 - Newly non-exempt employees should discuss with supervisor and may be granted up to 3 days of paid time off using the newly established “university release” time reporting code.
- **Postdocs**
 - Currently, the institution is evaluating the feasibility of bringing all postdocs up to the FLSA weekly threshold. Until then...
 - Postdoc researchers who do not earn the minimum threshold of \$913 per week will be non-exempt and eligible for overtime or compensatory time.
 - To better align with the FLSA changes, the NIH plans to increase the awards to postdoctoral NSRA recipients to above the new minimum threshold
- **Working Overtime**
 - All hours a non-exempt employee works beyond 40 in a week must be compensated with compensatory time or overtime pay; however,
 - Employees must get pre-approval to work overtime
 - Departments should establish and communicate internal overtime expectations and procedures



Okay or Not Okay???



It is okay to flex a non-exempt employee's hours from week to week as long as they average out to 40.



It is okay for appointed employees to remain appointed if they become non-exempt.



Appointed Individuals

- **Appointed individuals will remain appointed**
- **Upon implementation of new regulations, impacted appointed employees will get new notice of appointments stated in equivalent hourly pay terms.**



"I just wrote to all team members telling them they should report 15 hours of work per week regardless of actual hours worked to make this process easy for everyone. Some of the team seem to be too obsessed with "honesty" and "actual hours" without realizing that this is just a workaround to make their pay fit the books."



It is okay for non-exempt employees to volunteer their time past 40 hours each week.



This is only permissible if:

- The volunteer work does not resemble their typical job at the University
- Volunteer work is done outside of work hours
- The employee cannot be coerced or pressured into volunteering
- Not volunteering would have no adverse impact on the employee (tangibly or intangibly)

Identifying Impacted Employees

UAccess Analytics

Dashboards > Employee > Workforce

Select the “FLSA Impact Report”

The screenshot shows the UAccess Analytics interface for the FLSA Impact Report. The top navigation bar includes 'Workforce' and 'FLSA Impact Report'. The main content area features a filter section on the left and two summary tables on the right.

Filter Section:

- Employee ID: --Select Value--
- Department id: --Select Value--
- Department Name: --Select Value--
- College Id: --Select Value--
- College Name: Office for Research & I
- Minimum Weekly Threshold: 913.00

Summary Tables:

of Employees by ABOR Classification

ABOR Code	Count	Annualized Variance Amount
Academic Professional	11	116,630
Classified Staff	97	782,236
Postdoctoral Scholar	17	93,226
Service Professional	23	160,557
Grand Total	148	1,152,649

of Employees by Variance

Variance Range	Count
\$1 - \$75	60
\$76 - \$150	25
\$151 - \$300	44
Over \$300	19
Grand Total	148

FLSA Impact Report Table:

College Name	Department Name	Employee Id	Last Name	First Name	Full-Part Time	Number of Positions	ABOR Code Description	Total FTE	FTE (Primary Job)	Title Code (Primary Job)	Title (Primary Job)	Supervisor Name	Comprate (Primary Job)	IBS (Primary Job)	Comprate by FTE (Primary Job)	IBS by FTE (Primary Job)	Weekly Rate	Weekly Variance
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Resources

UA Division of Human Resources – FLSA FAQs

hr.arizona.edu/managers-supervisors/compensation/flsa-regulatory-change-implementation-faqs

UA Division of Human Resources – Travel Time FAQs

hr.arizona.edu/supervisors/compensation/flsa-travel-time-faqs

UA Financial Services Office – Submitting Your Timesheet instructions

fso.arizona.edu/payroll/employees/timesheet/reporter-positive

UA Financial Services Office – How to View Your Timesheet instructions

fso.arizona.edu/payroll/employees/timesheet-tips

Positive Time Reporting Training via UAccess Learning

learning.uaccess.arizona.edu/psp/uazelprd/EMPLOYEE/ELM/c/LM_SS_LEARNING.LM_LEARNING_ITEMS.GBL?LM_CI_ID=1021&LM_ACT_ID=0

UA Financial Services Office – Time Approver Instructions

fso.arizona.edu/payroll/departments/time-approver

Timekeeping and the FLSA: Your Responsibilities via UAccess Learning

learning.uaccess.arizona.edu/psp/uazelprd/EMPLOYEE/ELM/c/LM_SS_LEARNING.LM_LEARNING_ITEMS.GBL?LM_CI_ID=1221&LM_ACT_ID=0

Time and Labor: Time Approval via UAccess Learning

learning.uaccess.arizona.edu/psp/uazelprd/EMPLOYEE/ELM/c/LM_SS_LEARNING.LM_LEARNING_ITEMS.GBL?LM_CI_ID=1024&LM_ACT_ID=0

Time and Labor: Time Coordinators via UAccess Learning

learning.uaccess.arizona.edu/psp/uazelprd/EMPLOYEE/ELM/c/LM_SS_LEARNING.LM_LEARNING_ITEMS.GBL?LM_CI_ID=1100&LM_ACT_ID=0



QUESTIONS?

Additional questions can be directed to your designated HR Consultant or the HR Solutions Team at hrosolutions@email.arizona.edu or 621-3660