



Human Resources

# FLSA

Final Ruling on FLSA and the Impact to UArizona



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# Fair Labor Standards Act

## What is it and what does it mean to university jobs?

- The Fair Labor Standards Act (FLSA) is a federal labor law enacted in the United States in 1938. It establishes and regulates various labor standards and protections for employees, primarily aimed at ensuring fair wages and working conditions.
- It also mandates overtime pay for eligible workers who work more than 40 hours in a workweek, requiring employers to pay them at a rate of at least one and a half times their regular hourly wage for each hour worked beyond the standard 40 hours.
- In addition to the requirement of meeting certain salary thresholds, employees must also satisfy specific "duties tests" to be classified as exempt from overtime pay. These tests help determine whether an employee's job duties primarily involve executive, administrative, professional, computer-related, or outside sales activities, thus making them exempt from overtime pay.



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## Final Ruling – FLSA Updates

(Two Part Implementation)

New salary threshold - \$43,888/annually  
or \$844/week

Effective July 1, 2024

New salary threshold - \$58,656/annually  
or \$1,128/week

Effective January 1, 2025



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# What impact will this have?

## University Analysis

Approximately 100-200 employees will be affected by the July 1, 2024, update.

Approximately 2,000 employees will be affected by the January 1, 2024, update.



UAnalytics will have a report available for departments to utilize to review their list of impacted employees due to these updates to FLSA.

The release of this report will be communicated with campus once it is ready. Anticipated release will be within the next couple of weeks.



## Recommendations

### Breaking the myth of Non-Exempt vs Exempt

- Educate Supervisors on FLSA and proper time record keeping for non-exempt staff.
  - Encourage supervisors to retake the updated FLSA training in Edge once released.
- Ensure your areas have a process to accurately record time.
- For unique circumstances, please reach out to your Senior HR Partner, who will partner with compensation to provide you the best guidance.



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