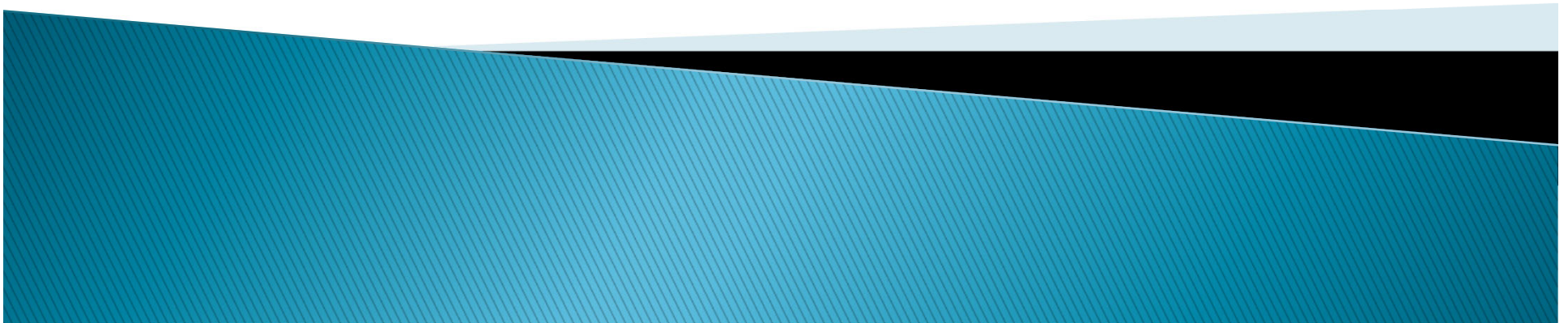




Fair Labor Standards Act

Employee Overview

Presented by
UAH Human Resources



Topics We Will Cover

Overview of the Fair Labor Standards Act

- General Provisions
- Criteria to be exempt from overtime
- Requirements for overtime compensation

UAH Professionals Eligible for Overtime

- UAH FLSA Compliance Approach & Resources
- Classification/Benefits Impact
- Timesheets/Timekeeping

Questions



Overview of FLSA General Provisions



What is the Fair Labor Standards Act?

- Established in 1938
- Establishes minimum wage (\$7.25 since 2009)
- Establishes requirements for overtime pay
- Defines work that is “exempt” from overtime
- Sets standards for timesheets / recordkeeping
- Other Important Provisions
 - Resources for nursing mothers
 - Standards for child labor
 - Prohibits retaliation
- DOL issued new guidelines effective **July 1, 2024 and January 1, 2025**

FLSA does not cover...



- Leave time
- Severance pay
- Premium pay for holidays and weekends
- Merit pay
- Fringe benefits

**Although these items may fall under different legislation or UAH policy*

Overview of FLSA

Criteria to be exempt from overtime



Types of Work

Exempt or Non-Exempt from Overtime

	EXEMPT	NON-EXEMPT (Eligible for Overtime)
Compensation	Salary-Based	Hourly-Based
Overtime & Compensatory Time	Not eligible	Eligible for overtime (or comp time)
Timekeeping	Records exception time only	Records all hours worked and exception time
Assessment	Must meet exemption requirements under the law	Default (for all employees)

Exempt Employee Requirements

1. The **primary duty** must be a recognized “exempt” duty
 - *Job title does not establish exempt status*
2. The **primary reason** for the position must be “exempt” work.
3. Compensation must meet **minimum pay** requirements.

Compensation

Prior to July 1	Phase 1 Effective July 1	Phase 2 January 1, 2025
\$684/week \$35,568/year	\$844/week \$43,888/year	\$1,128/week \$58,656

- Proposal also includes automatic updates every three years beginning July 1, 2027
- July 1, 2025 changes are subject to potential legal challenges

FLSA Types of Exemptions

Most Popular Exemptions at UAH

- Executive Exemption
- Administrative Exemption
- Professional Exemption

Other exemptions

- Outside Sales Exemption
- Computer Employees Exemption

Executive Exemption

- Must be paid on a salary basis
- Must meet minimum salary threshold
- Primary duty – managing a unit, department or division
- Must manage 2 or more FTE employees with authority to hire, fire, and affect terms and conditions of employment (raises, promotions, etc.)

Administrative Exemption

- Must be paid on a salary basis
- Must meet minimum salary threshold
- Primary duty – office or non-manual work related to management or business operations
- Must exercise discretion and independent judgment on matters of significance to the institution

Professional Exemption

- ▶ Must be paid on a salary basis
- ▶ Must meet minimum salary threshold (except teachers)
- ▶ Primary duty – work that requires advanced knowledge in a field of science or learning *OR* work requiring invention, imagination, originality, or talent in a recognized field of artistic or creative endeavor

“Learned Professionals”

- Physical, Chemical, Biological Sciences
- Theology
- Accounting
- Architecture
- Engineering
- Medicine
- Teaching
- Law



Not subject to salary minimum

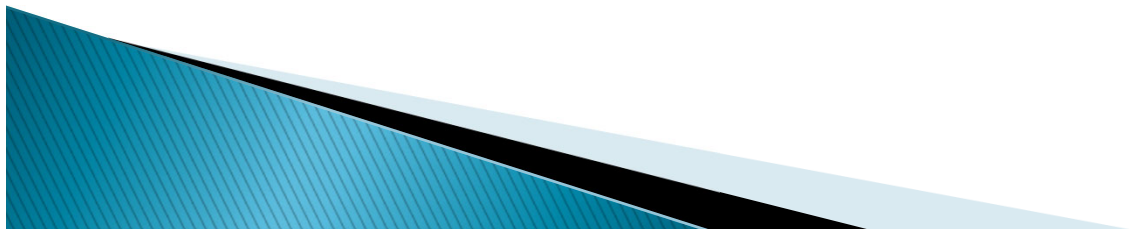
“Creative Professionals”

- Musicians, composers, conductors
- Writers
- Actors
- Painters
- Photographers



Overview of FLSA

Requirements for Overtime Compensation



When Eligible for Overtime

- ▶ All work time is considered compensable time (coming in early, working through lunch, checking email after work).
- ▶ **Short work breaks** (5–20 minutes) taken during normal working hours are considered work time (taken as approved and as work allows).
- ▶ All hours worked above 40 in a workweek must be compensated via overtime or compensatory time.

Overtime & Compensatory Time

Overtime Pay

- **1.5 times** the regular rate of pay for any hours worked in **excess of 40 hours** in a workweek (Wednesday through Tuesday)

Compensatory Time (Comp Time)

- Applies only to public institutions
- **1.5 hours** of comp time in lieu of overtime
- Maximum accrual – **240 hours** (160 hours worked); 480 for public safety
- Manager has authority to give comp time in lieu of cash payment for overtime

What is a workweek?

- Workweek is 7 consecutive 24-hour periods (168 hours)
- Each workweek stands alone
- UAH workweek is from Wednesday (12:00 a.m.) – Tuesday (11:59 p.m.)



Overtime Restrictions

- “Off-the-books” recordkeeping is not allowed
- Volunteering or gifting time is not allowed
- Any arrangement for overtime other than overtime pay or compensatory time is not allowed



Training Time

Time spent in meetings, lectures, or training is considered work time if the following applies:

- Training is mandatory
- Training is job-related
- Productive work is performed

Compensation During Travel

Not Compensable

- Ordinary commute time
- Personal time/social events

Compensable

- Travel between job sites during the work day
- Travel on a non-work day during regular work hours
- Driving out of town for a work event
- Working at any time, at any location (including as a passenger, at a hotel, etc.)

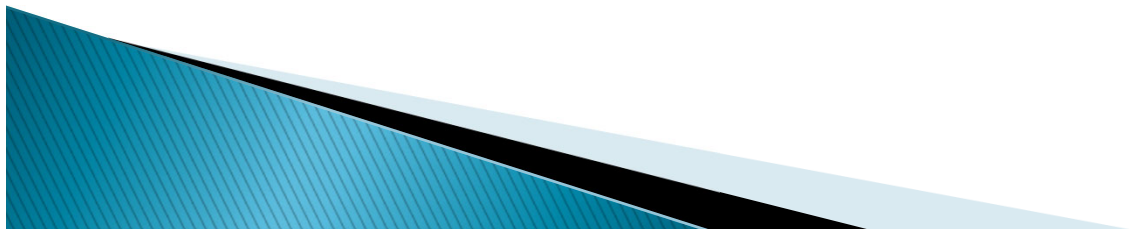
Travel Time



Note: Supervisors may rearrange work schedules to accommodate travel and mitigate overtime obligations.

Professionals Eligible for Overtime

UAH FLSA Compliance Approach & Resources



Guiding Principles

UAH FLSA changes included consideration of the following:

- **Legal compliance, equity, and fairness**
- **Fiscal responsibility**
- **Employee work–life balance and retirement planning**



Approach & Resources

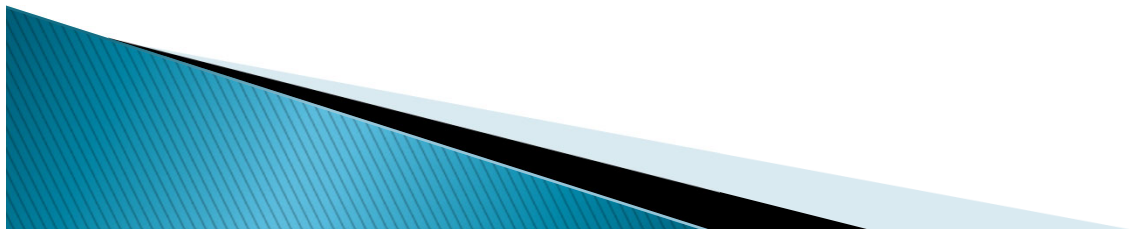
- **Senior leadership meetings**
to review principles, approach, impacted employees, and communication plan
- **Decision-making by title**
for consistency of approach
- **Supervisor training**
to support consistent management and communication
- **Centralized employee notifications from HR**
- **FLSA information resources**
UAH FLSA website and employee information session

Timeline Phase I

DATE	ACTION
April 23	DOL announced new FLSA rule
May 10 – June 10	Senior leadership meetings/reviews
June 3	FLSA website launch (https://www.uah.edu/hr/flsa)
June 10 – 17	FLSA supervisor training sessions
June 26	Notification letters for impacted employees
July 1	Phase I FLSA changes take effect

Phase 2: To be determined Fall 2024

Professionals Eligible for Overtime Classification & Benefits



Professionals Eligible for Overtime

- ▶ Classification for professionals who were formerly exempt from overtime
- ▶ Change in FLSA designation does not affect
 - *Responsibilities, duties, or contributions to UAH*
 - *Reporting relationships*
 - *Base pay*
- ▶ Change in FLSA designation does affect eligibility for overtime

Grandfathering for Current Employees

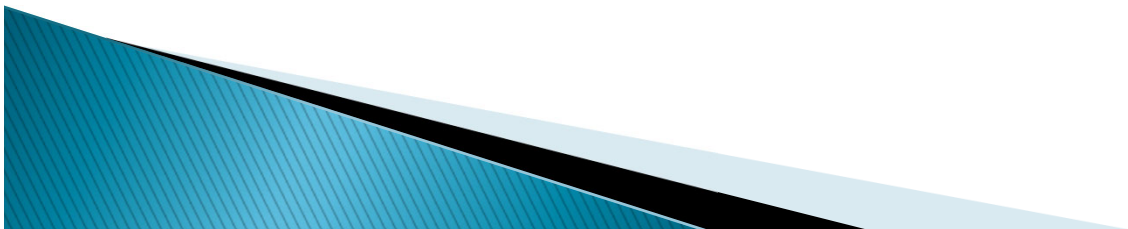
Benefits

- Annual Leave Accrual will remain the same
- 403(b) Retirement Plan – will still be eligible for the matching from the University

If an employee voluntarily transfers to a non-exempt position they will no longer be eligible for the 403(b) retirement plan matching benefit

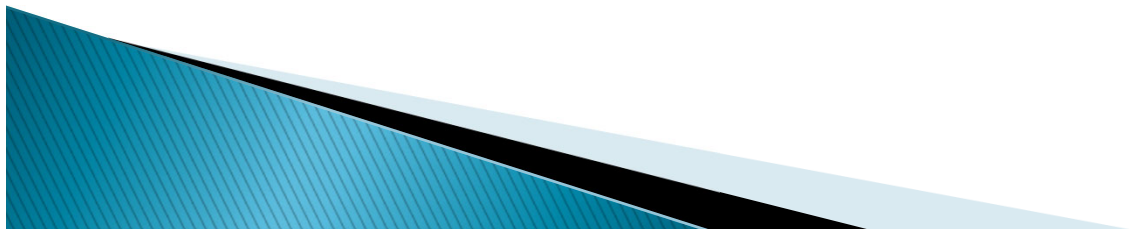


Professionals Eligible for Overtime Timesheets & Timekeeping



Timesheets & Recordkeeping

- Employees are not required to punch in/out
- Must keep accurate records of hours worked
- Enter regular, compensatory time earned/used, and overtime hours worked



Timesheet

Time Sheet

Title and Number:

Administrative Assistant -- 333611-00

Department and Number:

Human Resources -- 306001

Time Sheet Period:



Oct 26, 2016 to Nov 08, 2016

Submit By Date:

Nov 09, 2016 by 11:59 PM

Earning	Shift	Default Hours or Units	Total Hours	Total Units	Wednesday Oct 26, 2016	Thursday Oct 27, 2016	Friday Oct 28, 2016	Saturday Oct 29, 2016	Sunday Oct 30, 2016	Monday Oct 31, 2016	Tuesday Nov 01, 2016
Regular Pay	1	80	64		Enter Hours	8	8	Enter Hours	Enter Hours	8	8
Docked Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Overtime Pay 1.5	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Straight Time Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Annual Leave Pay	1	0	8		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Sick Leave Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Holiday Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Personal Leave Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Military Leave Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Jury Duty Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Administrative Leave	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Administrative Leave Pay BII	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Bereavement Leave Pay	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
On the Job Injury	1	0	0		Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Compensatory Time Taken	1	0	8		8	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours	Enter Hours
Compensatory Time Earned 1.5	1	0	8		Enter Hours	Enter Hours	Enter Hours	Enter Hours	5	Enter Hours	Enter Hours
Total Hours:			88		8	8	8	0	5	8	8
Total Units:				0	0	0	0	0	0	0	0

Timesheet Example #2

Time Sheet																		
Earning Code	Shift	Total Hours	Total Units	Wednesday, 26-Jun-24	Thursday, 27-Jun-24	Friday, 28-Jun-24	Saturday, 29-Jun-24	Sunday, 30-Jun-24	Monday, 1-Jul-24	Tuesday, 2-Jul-24	Wednesday, 3-Jul-24	Thursday, 4-Jul-24	Friday, 5-Jul-24	Saturday, 6-Jul-24	Sunday, 7-Jul-24	Monday, 8-Jul-24	Tuesday, 9-Jul-24	
Regular Pay	1	63.25		8	8	8			7.25	8	8					9	7	
Overtime Pay 1.5	1	2									2							
Sick Leave Pay	1	0.75							0.75									
Holiday Pay	1	8										8						
Compensatory Time Taken	1	8											8					
Compensatory Time Earned 1.5	1	1																
Total Hours:		83		8	8	8			8	10	8	8	8			9	8	
Total Units:			0															

Leave Balances

Leave Balances

Select the link under the Type of Leave column to access detailed information. Balances shown are as of the last completed pay cycle. Balances are subject to adjustment and verification by the Payroll Office.

List of Leave Types

TYPE of Leave	Hours or Days	Available Beginning Balance	Earned as of Nov 04, 2016	Taken as of Nov 04, 2016	Available Balance as of Nov 04, 2016
Annual Leave	Hours	50.00	.00	8.00	42.00
Sick Leave	Hours	60.00	2.76	.00	62.76
Personal Leave	Hours	.00	24.00	.00	24.00
Compensatory Time	Hours	70.00	12.00	8.00	74.00

[Pay Stub]

Paycheck

Payment Summary

Type	Current Period	YTD Amount
Gross Amount:	\$1,826.00	\$3,978.50
Total Personal Deductions:	\$567.75	\$779.89
Net Amount:	\$1,258.25	\$3,198.61
Total Employer Contributions:	\$339.25	\$339.25

Earnings

Job	Earnings	Shift	Hours or Units	Rate	Amount	YTD Amount
Administrative Assistant	Regular Pay	1	64.00	\$22.825000	\$1,460.80	\$1,460.80
	Annual Leave Pay	1	8.00	\$22.825000	\$182.60	\$182.60
	Compensatory Time Taken	1	8.00	\$22.825000	\$182.60	\$182.60
Student Specialist I	Student Hourly Pay	1				\$2,152.50
Total:					\$1,826.00	\$3,978.50
Non Cash Earnings						
Administrative Assistant	Compensatory Time Earned 1.5	1	8.00	\$34.237500	\$273.90	\$273.90

