

**Fair Labor Standards Act
Final Rule
Effective December 1, 2016**



Status Update

- The threshold of \$47,476 will be effective on December 1, 2016.
- Annual updates will begin January 1, 2020, and occur every three years afterward.
- After the September 1 merit increase, we still have campus employees who fall short of the FLSA Final Rule salary threshold for exempt employees.
- Compensation is closely working with campus senior leaders and/or their designees.
- Other work includes review of Post Docs and case-by-case review of employees in UKHC.

Exempt to Non-exempt impact

- Monthly to biweekly paychecks
- Inputting hours worked
- Travel time calculation
- Vacation accrual will remain the same

Communication Plan

- HR FLSA website – Sept 22
- Email to supervisors of impacted employees – Oct 4
- Email to impacted employees – Oct 6
- Letter home to impacted employees – Oct 17
- Instructional videos and training for employees and supervisors - tba

Questions or Comments

Consultation Outcomes

- Debbie sent Consultation Documents on Monday, August 29, along with...
- Return Details Consultation Document by September 16 (or new negotiated date) with the below indicated:
 - **YES**: If YES, bring employee up to threshold:
 - It must fund any pay increases. There is not a central fund for increases in pay.
 - The employee stays in the current classification.
 - **NO**: If NO, don't bring pay up to new threshold:
 - Work with Compensation to move employee into a non-exempt job class.
 - **UNIQUE**: If the job is unique to the department, then the department could decide to change the job classification to non-exempt.
 - **NOT UNIQUE**: If the job is found in other areas, then it will be different from the exempt job in the MJRs and essential functions.
 - **NA**: If the area/college/department indicates NA, then the issue has been resolved through a change via promotion, demotion, lateral transfer, or separation.

Request to Senior Leaders: Please don't communicate your preferences with your employees.