

FLSA Transition

NSU Human Resources & Payroll Conversion



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FLSA What & Why

- FLSA-Fair Labor Standards Act
 - Federal law that sets minimum wage, overtime, recordkeeping, and youth employment standards, governed by the Department of Labor (DOL).
 - The overtime part of the Act includes the “white collar exemption” tests that determine whether someone is considered “exempt” (salaried, and exempt from overtime), or “non-exempt” (hourly, and eligible for overtime). **This is the piece of the FLSA that is changing.**
- What is Changing?
 - Salary minimum of weekly earnings for full-time salaried workers
 - Raises the salary threshold for exempt status from \$23,660 per year (\$455 per week) to **\$47,476 per year** (\$913 per week)
 - DOL looking to update the salary minimum every three years.



FLSA What & Why

- What this means
 - Most NSU employees below the \$47,476 salary will have their exempt status change to non-exempt.
 - Impacted employees will be required to accurately record their daily working time and will have the right to overtime, compensated as *compensatory time* (comp time) at a rate of 1 ½ hours (time and a half) for each and every hour worked in excess of 40 in the designated workweek.



Why This Matters So Much

- Supervisors can be held liable for violations of FLSA... and so can employees!
- As an employee, you cannot legally falsify your time card whether doing so is in your favor or the employers' favor.
- As an employee, you may not enter into any private agreement or settlement, written or otherwise, that waives or alters your 'substantive rights' under FLSA.
 - Overtime pay claim is considered a substantive right
- DOL investigations can occur randomly and investigators look for red flags such as:
 - "pencil whipped" timecards
 - Timekeepers who approve time for those they are not monitoring
- NSU is committed to cultivating and maintaining a positive work environment which requires a safe, secure, and ethical workplace.



NSU Compensatory Time System

- NSU will enact a compensatory time system (comp time) to accommodate the FLSA update and pre-approved overtime worked. Overtime is not encouraged.
- All overtime must be pre-approved. Employees should notify supervisors if they anticipate working over 40 hours in a seven day workweek.
- An employee who has working hours in excess of 40 hours during the workweek will receive compensatory time (comp time) for all hours worked in excess of the 40, at a rate of one and one-half times.



Comp Time Earned

- According to FLSA, the employee generally may not accrue more than 240 hours.
- NSU recommends a balance of no more than 30 hours of banked comp time. Therefore, an employee would need to take time off to reduce his/her comp time balance before working additional overtime.



Comp Time Taken

- You can schedule comp time like vacation. According to NSU policy, comp time is to be used before vacation.
- The University will grant the time off request at the convenience of the employee, but reserves the right to deny leave when and if a hardship or disruption for the department may result. Use of comp time can also be assigned by the supervisor.



Payment for Comp Time

- According to the FLSA, public universities or colleges that qualify as a “public agency” may compensate overtime eligible employees through the use of compensatory time off or comp time in lieu of cash payment.
- No additional overtime budgets have been established.



Comp Time Accrual

- Neither comp time nor vacation time are intended to be saved as a way to bank income.
- They are both financial liabilities to NSU and therefore should be taken on a regular and consistent basis.
- Your supervisor should be encouraging you to schedule and take earned time to keep balances within reason.



What is Compensable?

- Emails, calls, texts outside of standard work hours
- Approved professional growth and development
 - Job related training (NSU or offsite), committee work, campus association
- Time spent traveling for work/permitted work related activities
- Working lunches or completing work during lunch
- **Any overtime completed, whether approved or not**



What is Not Compensable

- Employee wishes to attend a non-work related event on campus (party, etc.)
- Employee wishes to take NSU/outside training course to increase non-work related skills
- Employee eats lunch at desk without completing work and is briefly interrupted
- Employee takes a long lunch, outside of lunch break policy
- Employee calls or texts to let the employer know that they will be late or absent from work that day.



Hours Worked

- Only hours *actually worked* are included in the calculation of comp time earned at the rate of 1.5. Vacation, personal leave, comp time taken and holidays are not considered “worked” hours. These hours are compensable at the straight time rate of 1.0.
- Example:

Sun	Mon	Tues	Wed	Thu	Fri	Sat
	8-noon 1-5	8-12:15 1:15 - 5	8 HOL 9 -noon	8 HOL	8 HOL	

- Hours worked = 19; Holiday = 24 Total hours 43
- Comp earned 3 hrs @ straight time



Work Scenarios

- One week, an employee worked for 8 hours each day from Monday to Wednesday, and 10 hours on Thursday Friday.
- Total of 44 hours, equal to 4 hours of overtime and would be compensated with 6 hours of comp time.



- In one week, the employee works for 10 hours on Monday, 8 hours each day from Tuesday to Thursday, and then works only 4 hours on Friday.
- The employee worked 38 hours, fewer than the required weekly number. No comp time earned

What About My Benefits



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NSU Benefits schedule change effective January 2017:

- Health and dental insurance will be waived for the month of December for all employees.
- Some deductions will continue, such as: taxes, Voya, TIAA, FSA Health. These deductions will be according to individual employee.
- Normal deductions will resume in January 2017. Insurance and benefits will be deducted on a bi-weekly basis for non-exempt employees.
- These changes *do not* affect coverage of active NSU employees.



Oklahoma Teachers' Retirement System

- Non-exempt employees are not required to participate in OTRS.
- Participation in OTRS is optional.
- Please give careful consideration before ending OTRS.



Pay Adjustment

Transitioning employees will receive a administrative leave adjustment in the first bi-weekly pay period (BW25) in the amount of 13.25 hours of pay to ensure receipt of total annual salary.



Timing

PAYDATE

- 11/30/16
- 11/20/16
- 12/2/16
- 12/16/16
- 12/16/16
- 12/30/16
- 1/13/17

PAY PERIOD INFORMATION

- 11/1 – 11/30 Last full (exempt) monthly check. Employees who are eligible will receive stipend this pay period.
- Will begin clocking hours in Banner.
- Medical and dental insurance waived for month of December.
- 11/20 – 12/3 1st full non-exempt hourly check – assume 80 hours of time worked (BW25).
- Increase adjustment of 13.25 hours for going from 12 pay periods to 26 pay periods. This administrative leave will be added to the BW 25 timecard.
- 12/4 – 12/17 Regular, routine paycheck of hours worked and/or paid leave.
- 12/18 – 12/31 Regular, routine paycheck of hours worked and/or paid leave.



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Estimated Pay Stub

Timekeeping Web Time Entry WTE



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Resources

- HR Website
- Payroll Calendar
- Employee Handbook
- [Compliance Assistance - Wages and the Fair Labor Standards Act \(FLSA\)](#)
- <https://offices.nsuok.edu/humanresources/FairLaborStandardsAct%28FLSA%29.aspx>



Contact Information

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