

# FLSA Transition and Information for Employees

**FLSA classifications of exempt and non-exempt refers to a legal designation of the employee's job, and in no way refers to the *value* placed on an employee at NSU. All employees, whether staff, faculty or student are critical to the operations of the University.**

## What is FLSA?

Fair Labor Standards Act-The 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.

## Right Now

Employees are classified as either exempt or non-exempt depending on their salary and the type of work they do. The FLSA establishes a minimum salary level in order to be exempt from overtime. The current salary minimum is \$23,660 per year (\$455 per week). Employees who earn more than \$23,660 may be exempt from the FLSA overtime regulations if their primary job duties meet a "duties test" as defined in the current regulations. **This salary minimum is changing and will be increased to \$47,476.**

Positions that are exempt are not required to record and track hours worked. Non-exempt positions require an employee to record and track all hours worked, and any time worked in excess of 40 hours in a workweek will need to be compensated at time and a half.

## What This Means

NSU employees who are transitioning received a letter of notification dated October 7, 2016. Based on the new rule, as many as 120 currently exempt NSU employees will have their status designations changed from exempt (salaried, paid monthly) to non-exempt (hourly, paid bi-weekly). As a result, impacted employees will be required to accurately record their daily working time and will have the right to overtime. The FLSA update is effective December 1, 2016. These employees will be required to clock in and out and any earned overtime will be paid 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. Time entry for these employees will begin November 20, 2016 in order to be compliant on December 1<sup>st</sup>.

## **Definitions**

Non-Exempt-Employees who are NOT EXEMPT from the FLSA are commonly paid by the hour and compensated for every hour worked over 40 in a 7 day period. At NSU, these employees are paid on a bi-weekly schedule and OTRS participation is optional.

Exempt – Employees who ARE EXEMPT from the FLSA. They are paid a on a salary basis and commonly work over 40 per week. As of December 1, 2016, all employees considered exempt must meet the duties test, be paid on a salary basis and be paid at least \$47,476 a year. Some exceptions have been made according to the teacher exemption and the academic exemption guidelines.

## **Compensatory Time-Comp Time**

Due to the new FLSA update, NSU will enact a compensatory time system (comp time) to accommodate pre-approved overtime worked.

According to the NSU Employee Handbook, all overtime must be pre-approved. Employees should notify supervisors if they anticipate working over 40 hours in a seven day workweek.

A non-exempt employee who has working hours in excess of 40 hours during the work week will receive compensatory time (comp time) for all hours worked in excess of the 40, at a rate of one and one-half times. Exempt employees are not entitled to overtime payments for those hours worked over 40 in a workweek.

Comp time hours are banked for the employees use.

Holidays will be considered straight time and will calculate as such. This policy has been submitted for revision and has been approved by the Policy Committee and waiting final approval from the President's Cabinet.

As an employee, you are responsible for the accuracy and correctness of your time records. It is the employee's responsibility to manage their timekeeping and overtime. The review and certification of the time records is the responsibility of the employee. Following the employee's review and certification of the time records, the time records will be submitted to the supervisor/timekeeper for final approval.

Employees who continue to violate the process and approvals could face disciplinary action.

See the "*Frequently Asked Questions*" document on the HR website for details on how comp time is earned, taken and accrued

## **Employee Supervisor Discussions**

Share concerns with your supervisor regarding workloads and schedules.

Let your supervisor know what "extras" are important to you.

## What is considered working time?

**Working Hours:** Hours worked ordinarily include all the time during which an employee is required to be on the employer's premises, on duty, or at a prescribed workplace. Work related emails, text messages and phone should be counted as working hours.

**Lunch Breaks:** NSU's Administration believes that time away from work during the workday is good for employees to allow for eating a meal, resting and relaxing, or conducting other personal business. Therefore non-exempt employees are allowed one unpaid meal period of up to 60 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Non-exempt employees are to be relieved of all active responsibilities and restrictions during meal periods. Non-exempt employees who work through their meal period must be compensated for that time.

**Work Breaks:** A brief break from work is extended to employees as a privilege and not a right. Breaks should be arranged with the supervisor or department director. The University approves up to two daily breaks of no more than fifteen minutes each for those employees who are required to stay at their workstation at all times. Break time cannot be accumulated, added to lunch periods, or otherwise used to shorten the workday or workweek without supervisor approval.

**Call Back:** An employee called back to work (unscheduled) after his/her regularly scheduled work shift, will be guaranteed one hour pay plus pay for actual time worked when the time exceeds one hour. When completing the time sheet, "Call-back pay" will be specified on the time sheet. A non-exempt 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.

### **Travel Time:**

Not all time "away" is considered working time. Compensation for travel is very complex and must be calculated according to regulations in the FLSA. Some of the most common travel questions can be answered through the Department of Labor's fact sheet available at the DOL website. Employees, supervisors and timekeepers are encouraged to work with the offices of Human Resources and Payroll.

Per the Department Of Labor: Home to work travel: An employee who travels from home before the regular workday and returns to his/her home at the end of the workday is engaged in ordinary home to work travel, which is not work time.

Home to Work on a Special One Day Assignment in Another City: An employee who regularly works at a fixed location in one city is given a special one day assignment in another city and returns home the same day. The time spent in traveling to and returning from the other city is work time, except that the employer may deduct/not count that time the employee would normally spend commuting to their regular work site.

Travel That is All in a Day's Work: Time spent by an employee in travel as part of their particular activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked.

# **Bi-Weekly Pay Period Transition**

## **Benefits**

Health and dental insurance will be waived for the month of December.

Some deductions will continue, such as: taxes, Voya, TIAA, and FSA Health. These deductions will vary according to individual employee benefit elections.

Normal deductions will resume in January 2017. Insurance and benefits will be deducted on a bi-weekly basis.

Membership in the Oklahoma Teachers' Retirement System is open to all regular full-time employees of Northeastern State University. Membership is required for certain employees, but is optional for others. Current exempt status employees are considered classified personnel according to OTRS and membership is required. OTRS membership will become optional for NSU employees that will be transitioning to non-exempt status. Before canceling membership in OTRS, careful consideration should be given, due to the tremendous benefit of this program.

## **Pay**

Transitioning employees will receive their first bi-weekly paycheck December 16, 2016.

A third paycheck will be received twice a year and 13.25 hours of administrative leave will be credited to the BW 25 paycheck to ensure a total yearly salary.

## **Timing**

| <u>PAYDATE</u> | <u>PAY PERIOD INFORMATION</u>   |
|----------------|---|
| 11/30/16       | 11/1 – 11/30 Last full (exempt) monthly check<br><br>Employees who are eligible will receive stipend this pay period.   |
| 11/20/16       | Will begin clocking hours in Banner   |
| 12/2/16        | Medical and dental insurance will be waived in December. Other benefits deductions will be moved to Dec. 16 and Dec. 30 payroll dates.                        |
| 12/16/16       | 11/20 – 12/3 1st full non-exempt hourly check – assume 80 hours of time worked (BW25)   |
| 12/16/16       | 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 by payroll. |
| 12/30/16       | 12/4 – 12/17 Regular, routine paycheck of hours worked and/or paid leave  |
| 1/13/17        | 12/18 – 12/31 Regular, routine paycheck of hours worked and/or paid leave   |

## **Timekeeping**

Reference timekeeping document available through payroll.

## **Resources**

NSU HR Website-FLSA tab

<https://offices.nsuok.edu/humanresources/FairLaborStandardsAct%28FLSA%29.aspx>

Employee Handbook-currently under construction due to changes. Handbook revisions are pending final decision.

NSU Portal

Payroll Calendar

[Compliance Assistance - Wages and the Fair Labor Standards Act \(FLSA\)](#)

## **Contact Information**

Human Resources  
X2230

Monica Barnett-Interim HR Director  
[barnettm@nsuok.edu](mailto:barnettm@nsuok.edu)

Tere Feller-Assistant HR Director  
[fellerte@nsuok.edu](mailto:fellerte@nsuok.edu)

Phyllis Chappelle-Benefits Coordinator  
[chappelp@nsuok.edu](mailto:chappelp@nsuok.edu)

Tana Hendrickson-Compensation Specialist  
[hendri17@nsuok.edu](mailto:hendri17@nsuok.edu)

Dianna Lynn-Professional Development Coordinator  
[baerd@nsuok.edu](mailto:baerd@nsuok.edu)

Payroll  
x2231

Rick Manes-Payroll Manager  
[manesr@nsuok.edu](mailto:manesr@nsuok.edu)