FLSA – Fair Labor Standards Act
FLSA (Fair Labor Standards Act)

- FLSA establishes minimum wage & overtime pay for the following agencies:
  - Private
  - Federal
  - State
  - Local

- The new threshold was effective January 1, 2020
  - annually
    - $35,568
  - Per week
    - $684

- Those that do not meet the new FLSA threshold or meet the Department of Labor duties test or exemptions are considered Non-Exempt/Hourly
# FLSA (Fair Labor Standards Act)

## WHAT IS THE DIFFERENCE BETWEEN EXEMPT AND NON-EXEMPT EMPLOYEES?

<table>
<thead>
<tr>
<th>Exempt</th>
<th>Non-Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaried &amp; Hourly</td>
<td>• Wage Earning</td>
</tr>
<tr>
<td>• Do NOT earn overtime for hours over 40 in a workweek. Earn straight time for hours worked</td>
<td>• Earn overtime for hours worked in excess of 40 in a workweek</td>
</tr>
<tr>
<td>• Perform certain duties to qualify as exempt and meet salary threshold</td>
<td>• Perform certain duties to qualify as non-exempt or do not meet salary threshold</td>
</tr>
</tbody>
</table>
Example

FLSA (Fair Labor Standards Act)

FLSA does not take into consideration the proration of FTE:

Example:

Academic Coordinator 3 has a $25,000 salary at 50% effort. Given this does not meet the threshold, the position must be hourly – even though the full-time equivalent is $50,000.
FLSA (Fair Labor Standards Act)

• Positions exempt from the threshold:

  Teachers/Instructional Faculty

  Coaches (primary duty is NOT recruitment)

  Medical/Veterinary Interns & Residents
• Employees that do not meet the salary and/or the duties threshold are classified as non-exempt hourly workers

• Hours worked beyond a normal 40 within a work week will result in overtime

• Employees must enter time in Workday as the official system of record. This ensures proper calculations for accurate timekeeping & payroll.
FLSA (Fair Labor Standards Act)

Employee Information

- Employees are still considered Professional/Unclassified
Time must be submitted, reviewed and approved by the employee’s supervisor in a timely manner in order for the employee to be paid accurately and on time.

- Workday is the system of record
- Overtime must be approved before work commences
Supervisor Information

• Supervisors must ensure the correctness and appropriateness to not only ensure proper pay but to also mitigate payroll fraud.

• Supervisors should maintain records that provide support for overtime or premium pay

• Correct time entry codes must be used per guidelines as noted in recent audit findings.
FLSA (Fair Labor Standards Act)/Time Entry

• Compensatory time can be substituted for overtime payments

• Compensatory time (K-Time) is earned as a result of working overtime and serves in place of actual payment for performing OT work.

• Must be requested, recorded and used in a similar manner as annual leave
Essential Employee Personnel FASOP HR:01

Department and Supervisor Requirements

- Maintain written departmental emergency response plan
- Review and update plan annually or as needed with employees
- Plan should clearly identify primary and secondary employees
- Failure of essential workers to report to or remain at work may result in disciplinary action up to and including termination
Compensatory Time

- Compensatory time can be substituted for overtime payments.
- Departments will need to finance payout of comp time from annual budget.

Must be credited at the same rate as overtime 1.5x hourly rate for work in excess of 40 hours.

Employee **must agree beforehand** to be compensated with compensatory time instead of cash overtime.

Non-public safety workers are only allowed to accrue **240 hours of comp time**.

Police Officers are only allowed to accrue **480 hours of comp time**.
Helpful Reports:

• Time not submitted

• Time not approved

• Time Block Detail by Entry Code or Calc Tag
Questions?

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