

Fair Labor Standards Act

Employee Toolkit

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IMPORTANT CHANGES IN OVERTIME REGULATIONS

On April 23, 2024, the Department of Labor approved a new overtime rule under the Fair Labor Standards Act (FLSA) that is set to go into effect July 1, 2024. This new rule will require employers to pay overtime to all employees making less than \$43,888 annually. Additionally, the Department of Labor's rule implements an automatic threshold increase to \$58,656 effective January 1, 2025, and establishes that automatic updates to the threshold will occur every three years.

In order to comply with the ruling, optimize change management and logistical requirements of the changes, and in consideration of the timing of changes for employees, LSU will proceed with converting all individuals who have a salary below \$58,656 and/or who occupy a position with a position range minimum less than \$58,656, to hourly non-exempt for the July 1 implementation. Due to the bi-weekly pay period beginning on June 29th, the conversion to hourly non-exempt will occur on this date.

Certain employee groups are exempt from the Department of Labor salary test and are not required to meet the new salary threshold; this includes teachers/instructors, coaches, and medical/veterinary residents and interns. These are the only classifications exempt from this proposed overtime rule. Note that there is no proration for part-time workers.

If you make less than \$58,656 annually and/or occupy a position with a position range minimum less than \$58,656, your position will be reclassified as non-exempt hourly, and you will be eligible for overtime pay effective June 29, 2024 to comply with the July 1, 2024 FLSA regulations.

KEY POINTS

Based on the new federal FLSA regulations, LSU is required to reclassify your position from exempt to non-exempt status which affects you in a few key ways:

1. You will move from a monthly pay cycle to a bi-weekly pay cycle.
2. Your annual base salary will be converted to an hourly rate by dividing your annual base salary by 2,080/hours in a calendar year.
3. You will now be required to enter your time in Workday to get paid.
4. You will remain **Unclassified** and outside of the Civil Service rules and regulations.
5. Overtime will be paid **1.5 times** the regular hourly rate for time worked in excess of 40 hours in an assigned standard work week (Saturday 12:00 am - Friday 11:59 pm). **Overtime must be approved by the supervisor in advance of hours being worked. Compensatory time** can be substituted for overtime payments as outlined in Policy Statement 61.
6. Department's may also choose to utilize flexible scheduling as outlined in Policy Statement 79. Flexible scheduling must be pre-approved by the employee's supervisor.

HOW THIS WILL AFFECT YOUR PAY & PERSONAL FINANCES

The initial transition to bi-weekly pay could affect your personal finances. Please review and if necessary, modify any recurring fixed dollar payroll deductions, state and federal withholdings, direct deposit payroll elections, automatic bill payments or transfers to ensure a smooth transition from a monthly to a bi-weekly pay schedule. This change to a bi-weekly pay period will result in 26 paychecks annually.

FEDERAL AND STATE TAXES

Federal and State taxes are withheld from every paycheck. Any tax amount you request to be withheld, in addition to the amount withheld based on the completion of your W-4, will also be withheld from every paycheck. (Example, if you withhold an extra \$50 per paycheck, that will become \$100 per month for months with two bi-weekly pay dates). To adjust: [Withholding Elections](#)

FIXED DOLLAR PAYROLL DEDUCTIONS

Any fixed-dollar payroll deductions that come out of every paycheck (United Way, LSU Foundation deductions, 403b/457b contributions, Tiger Cash, etc.) will be the same amount you contribute in each bi-weekly paycheck unless you make a change. You are advised to review the amount of your contribution and take action, if you wish to change the amount.

Note that all parking deductions for payroll deduct eligible employees will automatically update from a monthly to a bi-weekly deduction cycle.

DIRECT DEPOSIT PAYROLL ELECTIONS

You will be paid on a bi-weekly schedule and should ensure that any personal automatic bill payment dates/transactions are still appropriate based on when you will be paid. For your payroll elections, your pay will continue to go to your listed account(s). Are the amounts correct?

- **Example 1:** If \$200 per paycheck goes into savings, that would become \$400 a month under a bi-weekly schedule.
- **Example 2:** If you have scheduled for all bills to automatically deduct on the 5th of each month, you will want to ensure the correct funds will be in your account and/or contact the billing company to request a change to the payment due date given the change to a bi-weekly pay cycle.

To adjust, LSU A&M employees, please refer to the [Manage Payment Elections](#) job aid.

For all other LSU campus employees, please submit paper forms to the LSU A&M Payroll Office or the employee's campus HR office. The payment election changes can be requested with form [AS35, Authorization Agreement for Direct Deposits](#), which can be found at the following web address:

<http://www.lsu.edu/administration/ofa/oas/pay/pdfs/as35.pdf>

PAYROLL SCHEDULE

The below chart outlines the initial payroll changes that will occur to ensure LSU's compliance with the Department of Labor's Fair Labor Standards Act.

Pay Date	Pay Period	Additional Information
June 28th, 2024	Final salary paycheck received for period June 1 through June 28th	Insurance premium will deduct to cover July.
June 29th, 2024	Transition to hourly non-exempt	Begin entering time in Workday
July 19th, 2024	First bi-weekly paycheck for the pay period June 29th through July 12th	First bi-weekly insurance premium to cover August.
August 2nd, 2024	Second bi-weekly paycheck for the pay period July 13th through July 26th	Insurance premiums will deduct to cover September
August 16th, 2024	Third bi-weekly paycheck for the pay period July 27th through August 9th	Insurance premiums will deduct to cover September
August 30th, 2024	Fourth bi-weekly paycheck for the pay period August 10th through August 23rd	Insurance premiums will deduct to cover August. To reduce hardship on impacted employees, the second August premium will be deducted here. Typically, the 3rd paycheck paid in a month would have no insurance premiums deducted.

ADDITIONAL INFORMATION

The full wage payroll schedule can be located here: [LSU Payroll Schedules](#)

Frequently Asked Payroll Questions: [Payroll FAQs](#)

Wage Policies & Procedures: [Policies & Procedures](#)

Payroll Forms: [Forms](#)

Direct Deposit: [Authorization Form AS-35](#)



HOW THIS WILL AFFECT YOUR BENEFITS

Most of your payroll deductions will be automatically converted to a bi-weekly schedule by the university, but only you can adjust others.

Deductions for medical, dental, vision, retirement plans, and financial protection plans such as Life Insurance, Long Term Disability, Accident Protection, Flexible Spending Accounts, etc. will be automatically recalculated for you. All of the insurance deductions will be deducted from your two bi-weekly paychecks each month. For the two months during the year when the bi-weekly pay schedule contains three paychecks, insurance deductions are not taken from the third paycheck.

Note: For August 2024, insurance deductions will be deducted from all three paychecks to cover August/September in order to reduce hardship on impacted employees.

However, adjustments will need to be made to the amounts you have set up per paycheck for any **Supplemental Retirement Plans** contributions. Supplemental Retirement Plans are amounts you have set up to be taken from each paycheck. To avoid doubling the amount of each paycheck, you will need to modify the amount per paycheck. For example, if you contribute \$400/month (or per paycheck) to a 403(b), Roth 403(b), 457(b), and/or Roth 457(b) plan, if no changes are made to adjust deductions, your contribution will become \$800/month (\$400 per bi-weekly paycheck) for months with two bi-weekly pay dates and \$1200 for months with three bi-weekly pay dates).

To convert your monthly contribution to bi-weekly contributions:

1. Calculate how much you are contributing on an annual basis ($400 \times 12 \text{ months} = \4800)
2. Divide the annual amount by 26, the total number of paychecks you will receive in a year ($\$4800 / 26 = \184.62).
3. \$184.62 should be taken out of each bi-weekly paycheck to equal the \$400 monthly contribution.

To change your contributions:

1. Changes to 403(b) & Roth 403(b) plans can be made through www.myretirementmanager.com
 - The deadline for Retirement Manager is **July 5, 2024**, for the **6/29/2024 - 7/12/2024** pay period.
2. Changes to 457(b) & Roth 457(b) plans can be made in Empower, <https://louisianadcpretire.gwrs.com>
 - The requested change of deferred comp (457(b) plans) must be made between **June 17, 2024, and June 24, 2024** to be effective for the 6/29/2024 - 7/12/2024 pay period.

WHO IS AFFECTED?

Q: Do the new FLSA rules affect faculty?

A: The new rules do not affect faculty whose primary position's responsibilities involve instruction (tenure track, clinical track, and lecturers). Research faculty and librarians may be affected if the salary is below the FLSA threshold of \$58,656.

Q: Are graduate assistants and student workers affected?

A: When instruction is the primary duty, the new rules do not apply, and Teaching Assistants will not become eligible for overtime pay. Also, when research assistants are engaged in research while obtaining a degree, they will not become eligible for overtime pay under the new rules.

Q: If an employee makes the current threshold at 100% FTE but reduces effort and drops below the threshold, will they convert to non-exempt hourly?

A: Yes, the employee will convert to non-exempt hourly and enter time for all hours worked.

Q: Does this new rule apply to employees working 12-hour shifts?

A: Yes, organizations utilizing irregular shifts are obligated to follow the new rules. Please contact the HRM Time & Absence department for timekeeper instructions for irregular work schedules.

GENERAL Q&A

Q: Can I opt out of this change?

A: An employee and employer cannot agree to waive any of the federal law's requirements.

Q: If I am being moved from salaried to hourly wage, is it considered a demotion?

A: No, the transition from exempt to non-exempt is necessary to comply with federal regulations; therefore, in no way should this change be considered a demotion. This change will not adversely affect the actual or perceived value of an employee's work or the importance of their contributions to LSU.

Q: What happens if I work more than 40 hours per week?

A: Any hours worked in excess of 40 hours per week must be paid at the rate of 1.5 times your regular hourly rate. The standard work week is Saturday 12:00 am to Friday 11:59 pm.

Q: Can non-exempt hourly employees still earn additional compensation?

A: Per Permanent Memoranda 3, additional compensation may be provided to employees for the performance of duties outside the scope of their primary job and beyond 100% effort (outside of normal work hours). Therefore, additional compensation must be paid at the employee's overtime rate which is calculated based on their primary position's base rate. Contact the HRM Compensation Department for questions.

Q: How will I keep track of my time?

A: You will be required to enter your time in Workday. Failure to submit time by the required deadline will result in non-payment to the employee. Also, failure of the supervisor to approve time by the required deadline will result in non-payment to the employee. Employees must wait until a future payroll to receive the catch-up in payment.

Q: Will this impact my unclassified/other academic/faculty status?

A: No, employees will remain in their current unclassified/other academic/faculty status and outside the Civil Service classification.

Q: What does the exemption status mean?

A: Employees classified as exempt are not eligible to earn overtime and must be salaried. Employees classified as non-exempt are entitled to overtime pay.

Q: What are the impacts on the pay schedule if someone is converted from salary to non-exempt hourly?

A: The employee will be paid on a bi-weekly basis instead of a monthly pay schedule. The bi-weekly pay schedule will result in 26 bi-weekly paychecks annually instead of 12 monthly paychecks.

Q: Will switching from exempt to non-exempt impact my annual and sick leave accruals?

A: No, it will not impact your annual and sick leave accruals. You will continue to accrue on your current unclassified accrual schedule.

Q: Will switching from exempt to non-exempt impact my benefit elections and retirement plans?

A: No, your benefit elections and retirement enrollment will not be affected. However, benefit and retirement deductions will move to a bi-weekly schedule; therefore, you may need to make adjustments to how much you have set up to contribute per paycheck to supplemental retirement (403(b)/457(b)) elections.

Q: What happens if I take time off during the week?

A: Time off does not count towards the 40 hours worked for overtime rate calculations. This includes annual leave, sick leave, jury duty, military leave, unpaid leave, etc. Employees will be paid their regular rate of pay for all hours worked and leave taken up to 40 hours per week.

Q: Will I receive overtime for working on an LSU holiday?

A: Yes, employees who work on a holiday will be paid 1.5 times their rate of pay for all hours worked on the holiday, regardless of the total hours worked during the week.

Q: Can I work overtime and tell my supervisor later?

A: No, employees must have overtime approved by their supervisor prior to work commencing.

Q: Where will the funding for this overtime pay come from?

A: Each department is responsible for the financing of their overtime or compensatory time from their regular budget.

Q: How will the career progression series be impacted if some levels are below the threshold and some are above?

A: Those levels that have a minimum salary that falls below will be converted to non-exempt, while those above remain exempt.

Q: Does my hourly pay rate include stipends, allowances, or additional compensation?

A: No, the official hourly base rate does not include stipends for telephones, expense reimbursements, clothing allowances, benefits, additional compensation, supplemental compensation, etc.

Q: How will travel time be managed for those who travel to conferences, meetings, etc.?

A: The Department of Labor (DOL) has specific information regarding travel time that can be found on the [DOL website](#).

Q: Does commute time count towards the 40 hours?

A: No, commute time does not count toward the 40 hours worked per week.

Q: Do lunch breaks count towards the 40 hours?

A: Lunch breaks do not count toward the 40 hours worked per week (when lasting 30 minutes in duration or longer).

Q: Who is going to let the employee know of this change?

A: While HRM is going to send out a series of informational materials, each department should establish and inform each employee in writing who is being paid an annual base salary under \$58,656 annually of their regular work hours, work schedule, and hourly rate.

Q: How should I handle changes in an employee's work schedule?

A: Any changes in a work schedule should be approved by the supervisor in a formal manner in advance.

Q: What should I do if I know I need my employees to work overtime?

A: Departments should account for their annual overtime needs within the annual budget construction process.

Q: Where can I get more information?

A: Complete information is available on [LSU's HRM website](#) and on the [Department of Labor's Wage and Hour Division](#) webpage. Additionally, please refer to [LSU's Employee Overtime Policy \(PS-61\)](#). Please contact hr@lsu.edu with any additional questions.

COMPENSATORY TIME

Q: Can I receive compensatory time in place of overtime?

A: Yes, but it must be documented in writing and approved by your supervisor in advance.

Q: Will I receive one hour of compensatory time for one hour of work time?

A: You will receive 1.5 hours of compensatory time for each hour worked in excess of 40 hours worked per LSU overtime policy. Compensatory time will accrue hour for hour up to 40 hours worked during the standard work week.

Q: How do I track compensatory time?

A: Compensatory time earned for approved overtime will be entered in Workday in lieu of hours worked for approved overtime. Workday will calculate the accrual of hours and the compensatory time off balance will be available with your other accrued leave hours in Workday.

Q: Is there a maximum accrual of compensatory hours?

A: Yes, employees cannot accrue more than 240 hours of compensatory time. Employees must be paid for all overtime hours if they accrue the maximum of 240 hours of compensatory time.

Q: What happens to my compensatory time upon termination of employment?

A: Employees must be paid for all accrued compensatory time, regardless of the reason for termination.

Q: Can I save my compensatory time?

A: Compensatory time should be used in a reasonable amount of time following its accumulation. LSU requires employees to exhaust their compensatory balance before using accrued annual leave.

Q: If an employee earns compensatory time with one department and then transfers to another department, what happens to the compensatory time balance?

A: If the employee has not used the compensatory time within a reasonable amount of time following its accumulation, the balance remains with the employee when transitioning to the department. The new department assumes the balance with the employee and should they separate from the university and would be responsible for the financing of the compensatory time payout from their regular budget.

RESOURCES

The Time and Absence Department within the Office of Human Resource Management is organizing face-to-face Workday time entry help sessions for employees and supervisors impacted by the FLSA changes. Registration is not required to attend.

Location:

- LSU Library

Dates/Times:

- Friday, 7/5/2024 – 9:00 – 10:30 am
- Thursday 7/11/2024 – 2:00 – 3:30 pm
- Friday 7/12/2024 - 9:00 – 10:30am
- Monday 7/15/2024 - 9:00 – 10:30am

U.S. Department of Labor: Wage and Hour Division Final Rule: [Overtime](#)

US Department of Labor Guidance for Higher Education Fact Sheet: [Guidance for Higher Education Employers](#)

LSU Employee Overtime Policy: [Policy Statement 61](#)

LSU Flexible Work Hours and Staffing Policy: [Policy Statement 79](#)

Entering Time in Workday: [Time Entry Job Aid](#)

Request Time Off in Workday: [Request Time Off Job Aid](#)

Correct Time Off in Workday: [Correct Time Job Aid](#)

Compensatory Time Quick Guide: [Comp Time Job Aid](#)

