Fair Labor Standards Act

Changes December 1st 2016

Oct. 27, 2016
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UCR Human Resources - Total Compensation

Mission
We provide HR leadership and expertise to create and support a high-performing, inclusive workplace which advances UCR’s mission and strategic objectives.

Vision
UCR HR is the benchmark in higher education for visionary and innovative HR strategies and exemplary service delivery.
What are the FLSA changes

- Under the Fair Labor Standard Act, employees are eligible for premium overtime for work performed beyond 40 hours / week.

- Certain types of work are **exempt** from the overtime provision if they meet two criteria:
  - Duties Test
  - Salary Basis Test
Who will be Affected?

- The salary basis the employer must meet to exempt an employee from overtime is
  - $913 per week
  - $47,476 annual
- First and second quartile of the salary range
- Part Time Exempt
How will we navigate?

- Affected part-time exempt employees may have their FTE increased.
- Affected full-time exempt employees may have their salary adjusted through our current annual equity call.
- Affected part-time exempt employees may be transitioned to **non-exempt** classification.
  - Currently hourly rate & paid bi-weekly.
  - Transition to hourly rate paid bi-weekly.
Timeline

› Human Resources communicated Oct. 25th
  › Report of employees identified
  › Plan documents, letters & transition assistance
› Organizational units respond by Oct. 28th
› Transition Assistance forms due to payroll by Nov. 10th
Total Compensation Information

Salary Information

Information concerning salaries and compensation, ranging from classification-related activities to salary reviews can be found at this site, such as:

- Reclassification process for filled and vacant positions
- UC Series Concepts and Specifications that create the structure for job families and the levels within each job family
- Salary plans/wage agreements for nine staff bargaining units and the non-represented employee groups
- Merit program information
- Recognition award program information
- Senior Management Group (SMG) compensation information
- Overtime information
- Other compensation-related actions
Fair Labor Standards Act

Background
The Fair Labor Standards Act (FLSA) is Federal law, dating back over half a century, that establishes certain minimum standards for wages, premium overtime, and other employment conditions. The FLSA did not apply to the University (i.e., we were not a "covered employer") until 1967 when amendments extended coverage to various government-related agencies. That coverage lasted only a few years before the Supreme Court decision voided the amendments. The coverage was finally re-established in 1985 through another Supreme Court decision and further Congressional action.

The Fair Labor Standards Act covers:
- Minimum wage
- Equal pay
- Child labor
- Overtime pay
- Record-keeping

Types of Employees
The FLSA identifies two types of employees: "non-exempt" and "exempt". One of the requirements of the FLSA is for an employer to determine the exemption status of each employee.

Non-Exempt Employees
Non-exempt employees are covered by the minimum wage and overtime provisions of the FLSA and required to account for time worked as well as use of sick, vacation, and other paid time off.