

## FLSA 2024 Updates and Guidance

We would like to provide you with some background on changes to the law that have adjusted your classification. The federal Fair Labor Standards Act (FLSA) and state laws govern position classifications as exempt or non-exempt, and these laws apply to all positions. Positions that are exempt from the FLSA meet very specific criteria such as a minimum salary amount, salary pay basis, and specific job duties, all performed through FLSA 'testing'. Positions that do not meet these criteria are called non-exempt, and the laws require that non-exempt positions are paid overtime.

Prior to recent federal law changes, exempt positions making \$684 or more, per week, were not eligible for overtime. Therefore, because of your previous classification as exempt, your position was not eligible for overtime.

However, in August 2023, the Department of Labor proposed changes to what are commonly referred to as the 'White Collar Exemptions'. The final rule, passed April 23, 2024, increased the minimum salary threshold to \$844/1,128 per week with an effective date of July 1, 2024 and January 1, 2025.

- **Background** - Exempt employee (salary) are currently exempt from being paid overtime under the federal Fair Labor Standards Act (FLSA), due to both job duties and the current salary being paid. In August 2023, the regulations under the Fair Labor Standards Act were presented as a bill to be amended, increasing the salary threshold for exempt employees. April 2024 the proposed rule was passed. The effective date for this rule is July 1, 2024.
- **Analysis** - The Director of Human Resources, and Chief Financial Officer/Vice President of Finance and Administration conducted a comprehensive impact analysis of the new regulations. The diligent work performed was to determine the best approach to comply with the new law. Input and approval of this analysis was also reviewed and approved by the Cabinet.
- **Classification Change** – As a result of the law changes and the analysis of positions, some positions will be re-classified as non-exempt for salary purposes, but these individuals will continue to qualify for professional status based on the position duties and responsibilities. As such, these positions will continue to be paid their annual salary (converted into hourly) for a 40-hour work week and will be eligible to be paid overtime, at time and a half rate, for any hours worked in excess of 40 in the work week (Sunday- Saturday).
- **Determination of Hourly Rate** – The overtime rate will be determined by dividing your current salary by 2080 (40 per week), which is the number of hours you are currently scheduled to work in a year, multiplied by 1.5. EX:  $\$40,000 / 2080 = \$19.23$  per regular hour  
 $\$19.23 \times 1.5 = \$28.84$  per overtime hour

- **Changes to Job Description** - There will be no changes to job duties, essential functions, title, or professional status as a result of any classification change.
- **Weekly Work Schedule** - The weekly work schedule will remain the same, but now these position are required to report all hours worked in a week. Actual hours worked over 40 in a week will be eligible for overtime payment. Reporting work hours is completed in Self-Service.
- **Vacation/Personal Time**- All staff (exempt and non-exempt) will receive the same vacation accruals, which is 20 days a year, accruing 6.15 hour for every 80 hours worked. Vacation accrual will not change in moving from exempt to non-exempt. No other changes to benefits will occur as a result of this change.
- **Timesheets** - Effective July 1, 2024, these positions will need to complete a time sheet in self service. The Office of Human Resources will work with managers and employees on the timekeeping system, to ensure accurate and timely reporting of hours for payroll purposes.
- **Overtime Policy** - Please note that requests to work overtime must be approved in advance by a manager before overtime can be worked. Overtime is defined as any hours over 40, worked in one work week, calculated Sunday through Saturday. There will be options available for flex time, which will be coordinated between the individual and manager.
- **Travel** - If there is travel for College business, please review the College's travel policy.

## Frequently Asked Questions

1. In the event that we are deliberately flexing schedules away from the standard 8-5, is there a deadline by which those schedules must be posted? i.e., if we need someone to work from noon to 8 on Friday, how much notice must they be given? – *these situations should be planned in advance as much as possible, but there is no set deadlines required.*
2. Is overtime paid after an 8 hour day or a 40 hour week? – *overtime is paid after 40 hours have been worked in a week, Sunday to Saturday.*
3. What constitutes "work"? – *answering phone calls, texts, e-mails, or other communications after hours is all considered work. Staff should be judicious in which communications they respond to, but time spent in this manner should be recorded and can be either flexed or paid as overtime if it comes after 40 hours of work in a week. Communications that do not NEED to be answered after hours should be answered in the next work day. Emergencies should always receive a response.*
4. How should on-call staff record their time if they are called out? – *on-call staff should record the time starting from the first call or message until the point at which they leave to travel home or at which they stop working if they do not need to travel. That time should either be flexed or recorded as overtime if it comes after 40 hours of work in a week.*
5. Is work on a college holiday at time-and-a-half regardless of hours worked in the week? – *yes, non-exempt employees are paid 8 hours of standard time for every holiday. For hours actually worked on a holiday, non-exempt employees are paid time-and-a-half regardless of the number of hours otherwise worked in the week. i.e., this is an exception to the 40 hours in a week rule.*
6. Can non-exempt staff supervise other non-exempt staff – *yes.*
7. Do non-exempt employees work summer hours – *yes. There is a specific way to record summer hours as “Allegheny time.”*
8. When will training be offered? – *A training session, via Google Meet, will be offered to managers and employees converting to non-exempt, to review all of these topics, along with the timekeeping system. These training sessions will be held July 2-9th.*
9. When will employees being converted to hourly be notified? – *The first week in July, Human Resources will be meeting with employees who will be transitioned to non-exempt. In this meeting Human Resources will take time to answer any questions and address any concerns.*
10. How are lunch breaks organized for non-exempt employees? – *There is no set time for a lunch break. These can be scheduled at any time needed for the department.*
11. How does PTO work with overtime? – *Vacation, Holidays, Personal Days and Sick time do not calculate for overtime. In other words, if you take a vacation day on Monday (8 hours) and work Tuesday-Friday for a total of 38 hours, you will be paid 8 hours of vacation and 38 hours of regular time. -If you take a vacation on Monday (8 hours) and work Tuesday-Friday for 42 hours, you would be paid 8 hours vacation, 40 hours regular time, 2 hours of overtime.*