

<Date>

## MEMORANDUM

**TO:** <Employee Name>  
<Email address of record>

**FROM:** Elizabeth Schwartz  
Director of Workforce Management

**SUBJECT:** Overtime Eligibility Change Effective December 1, 2016

New federal overtime regulations go into effect on December 1, 2016. You are receiving this letter because your position is impacted by the change in regulations.

### Background

On May 18, 2016, the U.S. Department of Labor (DOL) released updated Fair Labor Standards Act (FLSA) regulations to revise the criteria defining the type of employee who is eligible for federal overtime (non-exempt employee) and the type of employee who is not eligible for federal overtime (exempt employee). Eligibility for overtime pay is determined by certain tests of job duties and pay. Under the new rules, employees must be classified as non-exempt and will be eligible for overtime pay or compensatory time off if their annual salary is below \$47,476, up from the previous salary threshold of \$23,660 per year. The change takes effect on **December 1, 2016**. The entire Texas A&M System is obliged to comply with the regulations.

### Impact on Your Position

We have reviewed the impact of the regulations on your position, in conjunction with titles being implemented with the new System-Wide Pay Plan. After reviewing your 9/1/16 salary and your job title, Human Resources has determined that your position's FLSA designation will be changed from exempt (salaried, monthly-paid) to **non-exempt** (hourly, biweekly-paid) on December 1, 2016.

We assure you that this change is not a reflection on the level or value of your work, or your position's importance to the University. The change of your position to non-exempt is necessary to comply with the DOL regulations and it provides you with wage and hour protections that you did not have as an exempt employee.

### How Your Pay Schedule Will Change

As a non-exempt employee you will be paid an hourly rate on a biweekly basis starting with the pay period that begins December 1, 2016. You will need to record hours worked and leave taken, rounded to the nearest quarter hour, using the TimeTraQ system accessed through SSO (or other applicable system for your department). For hours worked in excess of 40 hours in a workweek (Thursday to Wednesday), you are entitled to federal overtime rate of 1.5 times your regular hourly rate or compensatory time off at 1.5 hours for each hour of overtime worked. Your department will determine whether overtime pay or compensatory time off is given for

overtime hours. Your department will also determine whether you may be required to limit your work hours, including remote access, to 40 hours in a workweek to minimize the budget impact.

### **Recommended Actions to Take**

1. Begin considering the impact of moving to a biweekly pay schedule versus being paid once per month.
  - a. While the monthly paycheck you receive **on** December 1 will not change, your pay will transition to the biweekly schedule during the month of December.
  - b. Biweekly pay dates are December 22, 2016 for work performed December 1 through December 14, and January 6, 2017 for work performed December 15 to December 28.
  - c. You may need to adjust your automated loan or bill payments, as well as any established transfers between your accounts, due to the change in pay dates.
  - d. Find out in advance what is needed to make those changes with your bills and accounts so that you will have a smooth transition. To see all available pay dates and plan accordingly, you can access the FY17 biweekly pay schedule online at: [http://payroll.tamu.edu/media/1194518/biweekly\\_pay\\_schedule\\_fy17\\_m.pdf](http://payroll.tamu.edu/media/1194518/biweekly_pay_schedule_fy17_m.pdf).
2. Complete the online course [Comp Time Issues for Employees](#) (TrainTraq #2112755). This course, estimated to take 30-45 minutes to complete, addresses issues related to tracking your working time and hours worked over 40. Your department may choose to assign the course to you, or you can access it directly in TrainTraq from the SSO menu. For departments who use TimeTraq, tutorials for both employees and supervisors are available at <http://apps6.system.tamus.edu/timetraqtutorials/>.
3. Attend one of the informational sessions being held in September through December. The session dates are listed on the FLSA resources page linked below.

Human Resources has created an FLSA Resources page to help you understand the ways that being a non-exempt employee may affect your work. Go to <http://employees.tamu.edu/compensation/flsa> for these resources. If you have questions regarding this change in status, please contact Human Resources Classification and Compensation by email at [payplan@tamu.edu](mailto:payplan@tamu.edu) or by phone at (979) 845-4170.

Thank you for your patience and consideration as we implement these changes. We appreciate everything you do for Texas A&M University.