Topics

✓ Background
✓ Exempt vs. Non-exempt
✓ Exemption from Overtime
  o Job Duties
  o Salary Minimum
✓ Employees Impacted
✓ Communications
✓ Resources and Training
✓ Next Steps for HR Liaisons
The Fair Labor Standards Act (FLSA) is federal law governing minimum wage, overtime and child labor.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2016</td>
<td>A court injunction prevented revised overtime regulations from becoming effective</td>
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<tr>
<td>2019</td>
<td>Revised regulations were approved and became effective January 1, 2020</td>
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Exempt vs. Non-Exempt

Exempt:
• Paid a fixed salary on a monthly schedule
• No pay or compensatory time for extra work hours

Non-exempt:
• Paid an hourly rate on a biweekly schedule
• Earn overtime pay or compensatory time for hours worked over 40 in a workweek
Exemption from Overtime: Three Tests

Job duties
- Executive, Administrative, or Professional duties per federal guidelines

Salary basis
- Predetermined amount of compensation that cannot be reduced due to quantity of work performed

Salary minimum threshold
- Increasing from $455 per week to $684 per week (actual amount whether full-time or part-time)
Exempt Job Duties

Examples of position information and job duties that meet the criteria:

- Management of a department or unit
- Authority to hire/fire
- Office or non-manual work directly related to management or business operations
- Primary duty includes exercise of discretion and independent judgment on significant matters
- Requires advanced knowledge in a field of science or learning
Salary Minimum for Exemption

$684 per week/$2,964 per month or $35,568 per year

Amount applies whether employee is part-time or full-time

Minimum does not apply to teachers (including faculty titles and graduate teaching assistants), lawyers, doctors and veterinarians

- Employees in such titles are exempt from overtime regardless of salary level
- Minimum does not apply to Graduate Assistant Research (GAR) titles but does apply to Research Assistants, Associates, Postdocs and Scientists
Employees Impacted

- About 200 employees in exempt titles making below the new salary threshold
  - 150 Full-time, remaining Part-time
  - Over 50% are in research titles

Any change to overtime-eligible and hourly-paid will become effective 12/29/2019
Communications

• Lists being provided to Divisions and Colleges for review and response

• Actions for consideration
  – Pay increase vs. change to hourly-paid & overtime-eligible
  – Guidance on research titles forthcoming

• Employee and supervisor communications from HROE in early November for those becoming hourly

• Templates provided for pay increase communications
Resources and Training

• HROE resource page:
  http://employees.tamu.edu/compensation/flsa/

• Informational presentations and working time sessions starting the week of November 11-15 through December
  – Working time details include travel time and other specific challenges; classroom and Zoom presentations offered

• Online training and tutorials:
  – Comp time course revisions for employees and supervisors in TrainTraq coming soon!
Next Steps for HR Liaisons

- **Gain** knowledge of changes, and how changes impact current employees, current requisitions and pending hires
- **Watch** for Liaison Network email updates on employee communications, effective dates and presentations/training
- **Wait** for finalized information about how change will get implemented in Workday (combined upload process vs. individual Workday business processes)
- **Help** lead supervisors and employees to resources as they become available
1. Keep calm and know the HROE resources available to employees and supervisors.
2. Watch for additional information forthcoming.
3. Lead the way as an example of Change Resilience.
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HROE CORE VALUES:
Integrity | Diversity & Inclusion | Excellence | Respect | Innovation | Engagement