Proposed Overtime Regulations Update

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Topics

- Background and Proposed Changes
- Timeline and recent developments
- Impact on TAMU
Background: Proposed Revisions to Federal Regulations

- Proposed federal regulations announced in June 2015
- Proposed revisions are expected to change overtime requirements and exemptions in 2016
- Final regulations, and effective date, will increase the number of employees eligible for overtime
Nonexempt employees are paid hourly and are eligible for comp time or overtime for hours worked over 40.

Exempt employees are paid on a salary basis and are not eligible for overtime.

Exemption requires:
- Job duties test
- Salary basis and salary minimum

In most cases, both job duties test and salary basis/salary minimum are required for exemption from overtime.
Proposed Changes: Salary Minimum

Salary minimum (2004 to present):
- $455 per week
- $1,971.66 per month
- $23,660 per year

Proposed salary minimum (date TBD)
- $970 per week
- $4,203.33 per month
- $50,440 per year

Salary minimum is expected to change regularly (could be as often as annually)
Timeline and Recent Developments

- Over 297K comments were submitted by the September deadline for feedback to the DOL.
- As of November 2015, DOL predicted releasing the final regulations by July 2016.
- Effective date could be as early as 30-60 days following regulations.
Impact on TAMU

No Impact – Positions that do **not** have to meet minimum salary to be exempt:

- Teachers (Faculty, GATs) and some professional positions (doctors, veterinarians) do not have to meet salary minimum
- GARs remain covered by opinion letter and can be paid a stipend even if below the minimum salary
Impact on TAMU (continued)

Impact—Positions that do have to meet minimum salary to be exempt:

- Postdocs and other Research titles
- Based on FY16 salaries, approximately 1,600 individuals potentially impacted if final regs include same proposed salary minimum of $50,440 annual ($4,203.33 per month)
Impact on TAMU (continued)

For positions below salary minimum and not otherwise excluded:

- Changed to hourly/nonexempt
- Must track work hours on timesheets
- Eligible for overtime or compensatory time for hours worked over 40 in a workweek
Next Steps - HR

- Developing overtime guidelines
- Reviewing existing training and working with EOD to identify other training needs
- Preparing for a potentially compressed timeframe for implementation
- Discussing other issues still in question
Next Steps – HR Liaisons

- Begin discussions with supervisors and/or departmental leadership about awareness of hours worked by exempt employees—knowing that the final impact is unknown.
- Identify positions in your adlocs that may be impacted due to salary level below $50,440.
- When asked, participate in feedback opportunities from HR on overtime guidelines and communications issues.
Final Thoughts

1. More TAMU staff employees will become eligible for overtime in the future (possibly in fall 2016)
2. Early discussions about work hours of exempt employees will be helpful to your department
3. HR will provide communications and efforts to help employees and supervisors understand the changes
We're here for you!

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