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MEMORANDUM

TO: Deans, Directors, and Department Heads
FROM: Renisha Gibbs, Assistant Vice President for Human Resources and Finance & Administration Chief of Staff
DATE: April 5, 2016
SUBJECT: Update on Proposed Changes to FLSA Overtime Pay

On June 30, 2015, the Department of Labor announced proposed rule changes to the Fair Labor Standards Act (FLSA) that would increase the minimum salary required before an employee can be classified as exempt from overtime pay under "White Collar Exemptions" for executive, administrative, and professional employees. Currently, the minimum salary threshold for exempt employees is \$23,660 (\$455 per week). The proposed regulations would increase that minimum salary threshold to an estimated \$50,400 (\$969 per week).

As discussed recently in the April 4th Chairs and Deans Meeting, the final rule is still in the approval process and has not been publically released. The current estimate is that the final regulations will be published prior to July 1, 2016, and will go into effect in early fall. Until the final regulations are released, the exact content of the new rule and the final amount of the salary threshold increase is unknown, but we expect a significant increase in the minimum salary required for employees classified as exempt from overtime pay under White Collar Exemptions.

Florida State University's Office of Human Resources and Office of the General Counsel, have been continuously monitoring this issue. Although the final regulations have not been released, Human Resources is proactively analyzing the University's workforce to identify positions that could be affected by the proposed changes and developing solutions, which include raising some employees to the new salary minimum, based on available budget and the level of assigned duties, while converting other currently exempt employees to non-exempt classifications. While no action is needed from individual departments at this time, please be aware that Human Resources will continue to monitor communications from the federal government and provide guidance to the campus community on any changes to the University's classification structure and compensation strategy as the proposed changes are finalized.

Questions regarding these changes may be directed to Phaedra Harris, Director, HR Operations, at pharris@fsu.edu.

cc: Department Representatives