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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

SUBJECT: Fair Labor Standards Act (FLSA) Changes & Postdoctoral Scholars

DATE: July 8, 2016

The Fair Labor Standards Act (FLSA) overtime changes will impact FSU postdoctoral scholars (postdocs). The updated federal regulations require that employees must earn \$913 per week¹ to be exempt (overtime ineligible) under the FLSA's "white collar exemptions" (including the "learned professional exemption"). These changes go into effect at FSU on November 18, 2016, due to University payroll schedules.

In light of these legal changes, the University is setting a new minimum salary for full-time postdocs in all departments at the new FLSA salary minimum, \$913 per week/\$47,658.60 annually. This change recognizes the advanced skills of these hard-working employees and preserves their FLSA exempt status. The University plans to provide temporary bridge funding to assist with the initial costs of raising salaries for current full-time FSU postdocs who are making less than the new salary minimum; however, departments and principal investigators will need to begin factoring these costs into their budgetary planning, including salary budgeting for contracts and grants. Departments will be notified of the final bridge funding arrangement over the next few months as the plan is finalized.

By August 1, 2016, all new proposals must include the new minimum salary level for postdocs. In the meantime, the Office of Human Resources recommends that new full-time postdocs for the fall semester be hired at or above the new salary minimum, if possible, to assist the transition to the new minimum. In addition, while postdocs funded on contracts and grants may not have budgeted for the new minimum salary for fall semester hires and continuing postdocs, the costs of these salary increases should be factored into new proposals being submitted and on current contracts and grants re-budgeting adjustments starting now. It is permissible for postdocs funded by contracts and grants

¹ \$47,658.60 annually based on FSU's 26.1 pay periods.

to be hired at an already budgeted amount that is below the minimum at the start of the fall 2016 semester with the understanding that the postdoc salary must meet the new salary minimum by November 18, 2016. The University will continue to work with principal investigators to assist with this transition over the coming months.

Part-time Postdocs: At a minimum, postdocs appointed part-time should receive a salary that is proportionate to the new salary minimum, prorated by their Full Time Equivalent (FTE). However, you should be aware that postdocs making less than \$913 per week due to part-time employment, will become overtime eligible (FLSA nonexempt) and be entitled to compensation at time-and-a-half if they work over 40 hours in a single university workweek.

- For example, a postdoc is hired at 0.75 FTE with an annual salary of \$35,500.00. If the postdoc works 42 hours in a single week, they would earn 2 hours of overtime at time-and-a-half.

If a part-time postdoc continues to earn at least \$913 per week while working their regularly scheduled hours in accordance with their FTE, they will remain FLSA exempt (overtime ineligible).

- For example, a postdoc is hired at 0.75 FTE with an annual salary of \$48,000.00. If the postdoc works 42 hours in a single week, they would not be eligible to earn overtime for the 2 hours.

It is imperative that schedules for part-time postdocs accurately reflect the appointed FTE. If a postdoc is consistently working more hours per week than their regularly scheduled hours in accordance with their FTE, the workload should be reassessed and the FTE updated to reflect the hours being worked accurately.

Please contact Rebecca Peterson, at rpeterson@fsu.edu or (850) 645-2202, with questions.

Cc: Department Representatives