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MEMORANDUM

TO: All University Employees

FROM: Renisha Gibbs, Assistant Vice President for Human Resources and Finance & Administration Chief of Staff

SUBJECT: Fair Labor Standards Act (FLSA) Overtime Changes

DATE: May 18, 2016

Today, the US Department of Labor released updated Fair Labor Standards Act (FLSA) regulations. The updated regulations increase the minimum salary required before an employee can be classified as exempt from overtime pay under the “white collar” exemptions, from \$23, 660 (\$455 per week) to \$47,476 (\$913 per week). They also provide for automatic updating of the minimum salary every three years. These changes go into effect on December 1, 2016.

Employers across the country will be impacted, including Florida State University. Some FSU employees who are currently exempt (overtime ineligible) will be impacted by these changes; nonexempt (overtime eligible) FSU employees will **not** be affected.

The Office of Human Resources, in collaboration with the Office of General Counsel, and central university administration, has been preparing for these changes to ensure that FSU complies with the law, while having the least negative impact on FSU employees. We have also been soliciting input on this topic across campus.

Now that the final regulations have been released, we will continue to evaluate their impact on University positions and refine our approach based on the content of the final regulations and feedback we receive from departments. Recommendations on how to handle these changes will be set centrally and communicated to departments and impacted employees over the next few months.

Impact

Nonexempt (overtime eligible) employees are **not** impacted—this includes most USPS and most OPS employees. Also, teaching faculty and Graduate Assistants will not be impacted by the updates. Generally, employees who are currently exempt (overtime ineligible), but make less than \$47,476 (\$913 per week) can expect to be impacted.

- Many impacted employees will become nonexempt, meaning they will become eligible for overtime compensation for hours worked over 40 in a workweek.
- Some impacted employees will receive salary increases and remain exempt, meaning they will not earn overtime for working over 40 hours.
- A small number of exempt employees making **more** than the new FLSA salary threshold will be reclassified to nonexempt, if their job code as a whole moves to nonexempt.
- Exempt employees who drop to part-time are also likely to be impacted.

Employees who move from exempt to nonexempt will have more detailed time keeping requirements, but nothing about the work they do will change. They will not experience changes to their duties, pay, benefits, Union membership eligibility, or leave accrual rates. The final determination of which impacted exempt employees fall into which categories is under review. Information will be communicated before December 1, 2016, so departments and employees know of any impact in advance.

Next Steps

Human Resources will be working with University leadership and departments to help ensure we fully comply with these new regulations. We will continue to communicate with the campus and will notify affected employees. We have also created an [FLSA Overtime Changes webpage](#) to help answer questions you may have about these changes. Resources on this webpage will be updated on an ongoing basis.

Questions? Contact Phaedra Harris at pharris@fsu.edu or Sarah Mirkin at smirkin@fsu.edu.