FLSA Changes and SuccessFactors for Hiring Coordinators

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FLSA Changes

• The **US Department of Labor** (DOL) issued changes to the **Fair Labor Standards Act** (FLSA) regulations that affect most employers in the US and its territories, including universities.

• Under the FLSA, all employees are considered non-exempt unless the position meets specific exemption criteria or the regulations specifically allow an exemption, and the employer has opted to use this exemption.

* Please take advantage of our **FLSA Manager Series** webinars for more information *
FLSA Changes

There are 3 requirements set forth by the DOL to qualify for a ‘white collar exemption’.

• One of these requirements is the ‘salary level test’, which required that a position is paid equal to or more than a specified salary threshold.

• The 2016 FLSA changes include a new minimum salary level to qualify. The current annual salary level is $23,660, and it is increasing to $47,476.

• Unless they qualify for another type of exemption, positions that are below the new $47,476 threshold will be transitioned to a non-exempt status, meaning they will be paid hourly.

* Learn about other exemptions in our FLSA Manager Series webinars *
What This Means

- Exempt, monthly paid employees could be transitioning to non-exempt, bi-weekly paid.
- Benefit elections will not be impacted.
- Vacation and sick time accrual will not be effected (although accrual will be over 26 pay periods instead of 12).

Know these basics – you may be asked by employees in your area.
What This Means

- New non-exempt employees will need to clock in/out – this is a nonnegotiable requirement.
- All overtime must be approved.
- Overtime will be paid and the rate of one and one-half times the normal rate of pay for all hours worked over 40 yours in a normal workweek.

Know these basics – you may be asked by employees in your area.
Deadlines

• New employee status must be in place by October 1, 2016.
• The first bi-weekly paycheck will be on 10/18 and include only 8 days of pay.
• Vacation payout can be used to offset the difference in days paid due to the change in pay schedule.

Know these basics – you may be asked by employees in your area.
How To Prepare

- **Compensation** is working to update the effected positions within UCFlex.
- **Training and Development** is conducting webinars to educate managers and effected employees.
- **Talent Acquisition** is identifying positions currently in *SuccessFactors* that need a notification of status change.
Your Role

• Ensure candidates for positions that will be transitioning to non-exempt are aware that it will be an hourly non-exempt position.

• Using the new criteria, new non-exempt hires must be processed as non-exempt even if the position was listed in SuccessFactors as exempt.

• Let your Recruiter know if there are any changes to the positions you currently have posted in SuccessFactors.
Positions Not Yet Posted

BEFORE creating the position in SuccessFactors change the salary status of the position in UCFlex.

New Positions:
• Complete an OM PCR
  ▪ Create Position and add comment “Make non-exempt due to FLSA changes” in the comment box.

Refill Positions:
• Complete an OM PCR
  ▪ Maintain Position and add comment “Make non-exempt due to FLSA changes” in the comment box.
Positions Already Posted

DO NOTHING to the position in UCFlex. We will update the position after it is filled and closed in SuccessFactors. You will need to:

• Complete the Offer Approval in SuccessFactors using the new hourly rate (even if an annual rate is in the REQ).

• Include the hourly rate in the Offer Letter.

• Let your Recruiters know if you have any changing positions so they can add a note to the posting.
# Overview

<table>
<thead>
<tr>
<th>NOT in SuccessFactors</th>
<th>Already in SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW Position</td>
<td>New / Refill Position</td>
</tr>
<tr>
<td>REFILL Position</td>
<td></td>
</tr>
<tr>
<td>Update <em>UCFlex</em></td>
<td>Alert Recruiter to non-exempt status change</td>
</tr>
<tr>
<td>Update <em>UCFlex</em></td>
<td></td>
</tr>
<tr>
<td>OM PCR – CREATE Position</td>
<td>- NA -</td>
</tr>
<tr>
<td>OM PCR – MAINTAIN Position</td>
<td></td>
</tr>
<tr>
<td>Add Comment “Make non-exempt due to FLSA changes”</td>
<td>Position is filled as Exempt</td>
</tr>
<tr>
<td>Add Comment “Make non-exempt due to FLSA changes”</td>
<td></td>
</tr>
<tr>
<td>Follow usual process in <em>SuccessFactors</em></td>
<td>Offer Approval use HOURLY rate</td>
</tr>
<tr>
<td>Alert Recruiter to non-exempt status change</td>
<td>Offer Letter include HOURLY rate</td>
</tr>
</tbody>
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FLSA Web Page

2016 FLSA Rule Information

2016 Fair Labor Standards Act Rule Change

What are the 2016 FLSA Updates?
On May 18th, 2016 the U.S. Department of Labor (DOL) released an update to the Fair Labor Standards Act (FLSA) that has raised the exempt status salary threshold from $23,660 to $47,476. All organizations in the U.S. must comply to the new rules by December 1st, 2016.

To stay proactive, UC will be implementing this change on October 1st, 2016.

What Does this Mean for You?
The University is working to ensure that the requirements mandated by the new rules will be in place before the implementation deadline. UC’s implementation plan will be shared in future communications.

Where Can I Find Information?
We have provided a helpful FAQ and the new rules are, and what DOL requires of the University community. Be aware of the changes and what the new rules will require.

We have also provided a high-level overview of the changes and what the new rules will require.

Who can I Reach Out to for Questions?
Please contact our Compensation team at HRComp@uc.edu.

UC FLSA Resources
- FLSA Update FAQ (Updated 8/9/16)
- Supervisor Webinar Registration PDF
- Employee Webinar Registration

Training
- Manager Resources
- Employee Resources
- Communication Archive
- FLSA Videos

Summer of Success
SuccessFactors Summer Ask-the-Expert Series
Helpful Tips

• UC FLSA Website:
  http://www.uc.edu/hr/compensation-department/flsa

• Recorded webinar of this ATE presentation

• Attend the FLSA Manager and Employee Webinar offerings or view a recording

• Contact Ken.Stidham@uc.edu or 556-4270

• Department of Labor FLSA Website:
  https://www.dol.gov/whd/flsa/
Thank You!

Questions?