

FLSA: USG IMPLEMENTATION

MAIN EVENT: READY, SET, HERE WE GO.....



SAVANNAH STATE PROJECT TEAM

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TOPICS:

- HOW DID WE GET HERE..
- THE DUTIES TEST TO DETERMINE EXEMPT VS. NON-EXEMPT
- FINAL RULE AND HIGHER EDUCATION
- FLSA EVENTS TIMELINE
 - CASH OUT OPTIONS
- COMMUNICATIONS:
 - MANAGER'S TALKING POINTS
 - INITIAL EMPLOYEE NOTICE
 - DETAILED EMPLOYEE NOTICE & EMPLOYEE GUIDEBOOK RESOURCE
 - COMPENSATORY (COMP) TIME

HOW DID WE GET HERE?

IN ORDER FOR AN EXEMPTION TO APPLY, AN EMPLOYEE'S SPECIFIC JOB DUTIES AND COMPENSATION MUST MEET ALL THE EXEMPTION REQUIREMENTS:

- EXECUTIVE
- ADMINISTRATIVE
- PROFESSIONAL
- ADDITIONALLY, THEY MUST MEET THE WHITE COLLAR "DUTIES TEST."
- COMPUTER RELATED
- HIGHLY COMPENSATED

DUTIES TEST: INCLUDES BUT IS NOT LIMITED TO.....

- THE EXERCISE OF DISCRETION AND INDEPENDENT JUDGMENT MUST BE MORE THAN THE USE OF SKILL IN APPLYING WELL-ESTABLISHED TECHNIQUES, PROCEDURES OR SPECIFIC STANDARDS DESCRIBED IN MANUALS OR OTHER SOURCES.
- THE FACT THAT AN EMPLOYEE'S DECISIONS ARE REVISED/REVERSED AFTER REVIEW DOES NOT MEAN THAT THE EMPLOYEE IS NOT EXERCISING DISCRETION AND INDEPENDENT JUDGMENT. IT IS WHETHER THE EMPLOYEE HAS AUTHORITY TO WAIVE OR DEVIATE FROM ESTABLISHED POLICIES/PROCEDURES WITHOUT PRIOR APPROVAL.

FINAL RULE AND HIGHER EDUCATION

- THE FOLLOWING PROVISIONS APPLY TO MANY PERSONNEL AT INSTITUTIONS OF HIGHER EDUCATION THAT MAKE THEM INELIGIBLE FOR OVERTIME AND UNAFFECTED BY THE FINAL RULING, REGARDLESS OF WHETHER THEY EARN ABOVE THE NEW SALARY THRESHOLD OF \$47,476 PER YEAR.
- BONA FIDE TEACHERS, COACHES, GRADUATE AND UNDERGRADUATE STUDENTS, ACADEMIC ADMINISTRATIVE PERSONNEL.

FINAL RULE AND HIGHER ED – CONTINUED:

- **BONA FIDE TEACHERS:** TEACHERS ARE NOT SUBJECT TO THE \$47,476 SALARY LEVEL REQUIREMENT FOR THE WHITE COLLAR EXEMPTION. TEACHERS ARE EXEMPT IF THEIR PRIMARY DUTY IS TEACHING, TUTORING, INSTRUCTING OR LECTURING.
- **COACHES:** ATHLETIC COACHES AND ASSISTANT COACHES MAY FALL UNDER THIS EXEMPTION IF THEIR PRIMARY DUTY IS TEACHING, WHICH MAY INCLUDE INSTRUCTING ATHLETES IN HOW TO PERFORM THEIR SPORT.

FINAL RULE AND HIGHER ED – CONTINUED:

- **ACADEMIC ADMINISTRATIVE PERSONNEL:** INCLUDE THOSE THAT INTERACT WITH STUDENTS OUTSIDE THE CLASSROOM, SUCH AS DEPARTMENT HEADS, ACADEMIC COUNSELORS AND ADVISORS, INTERVENTION SPECIALISTS AND OTHERS WITH SIMILAR RESPONSIBILITIES ARE SUBJECT TO A SPECIAL THRESHOLD THAT DOES NOT APPLY TO WHITE COLLAR EMPLOYEES OUTSIDE OF HIGHER ED. THESE EMPLOYEES ARE NOT ENTITLED TO OVERTIME COMPENSATION IF THEY ARE PAID AT LEAST AS MUCH AS THE ENTRANCE SALARY FOR TEACHERS AT THEIR INSTITUTION.

TIMELINE: KEY EVENTS

- 9/23 -- TOWN HALL MEETING WITH SUPERVISORS OF IMPACTED EMPLOYEES
- 9/29 -- ISSUE PERSONALIZED LETTERS TO IMPACTED EMPLOYEES BY MANAGERS
- 10/10 --TOWN HALL MEETINGS WITH IMPACTED EMPLOYEES LEAD BY OFFICE OF HUMAN RESOURCES
- 10/14 --ISSUE REMINDER NOTICE OF IMPENDING CHANGES TO PAY CHECK DATE
- 10/28 –EMPLOYEES RECEIVE FINAL REMINDER NOTICE OF IMPENDING CHANGE.

TIMELINE: KEY EVENTS – CONTINUED

- 11/01 --EMPLOYEES BEGIN TRACKING AND ENTERING HOURS WORKED INTO THE ADP SYSTEM
- 11/10--IMPACTED EMPLOYEES RECEIVE THEIR FIRST BI-WEEKLY PAYCHECK**
- 11/17 –EMPLOYEES RECEIVE REMINDER NOTICE OF DEADLINE TO ENTER HOURS WORKED FOR THEIR FIRST PAY PERIOD IN NOVEMBER.
- 11/25 –EMPLOYEES RECEIVE SECOND BI-WEEKLY PAYCHECK FOR THE FULL TWO-WEEK PERIOD OF NOVEMBER 5-18
- **** (CASH-OUT)**

CASH OUT OPTION DETAILS

- ONLY ACCRUED ANNUAL LEAVE MAY BE USED
- EMPLOYEE CANNOT USE NOR CONVERT SICK LEAVE FOR THIS PURPOSE
- ONE-TIME ONLY OPPORTUNITY LIMITED TO AFFECTED EMPLOYEES
- VOLUNTARY FOR THOSE EMPLOYEES WHO ELECT TO EXERCISE THIS OPTION BETWEEN 11/1/16 – 6/09/17
- EMPLOYEES WITH FEWER THAN 48 HOURS WOULD BE ALLOWED TO USE THEIR FULL AVAILABLE LEAVE BALANCE
- EMPLOYEES WOULD NOT BE ABLE TO BUY THE HOURS BACK AT A LATER TIME
- EMPLOYEES WOULD RECEIVE THE VACATION LEAVE PAY WITH THEIR REGULAR PAY FOR HOURS WORKED

COMMUNICATIONS:

- MANAGER'S TALKING POINTS
- INITIAL EMPLOYEE NOTICE
- DETAILED EMPLOYEE NOTICE & EMPLOYEE GUIDEBOOK RESOURCE
- REMINDER NOTICES UP TO IMPLEMENTATION

COMP TIME

- U.S.G. POLICY PROVIDES THAT COMPENSATORY TIME MAY BE GRANTED IN LIEU OF PAYMENT FOR APPROVED OVERTIME WORK AT THE RATE OF ONE AND ONE-HALF HOURS FOR EACH HOUR OF OVERTIME WORKED. APPROVED COMPENSATORY TIME IS SUBJECT TO A MAXIMUM ACCUMULATION OF (240) HOURS AND MUST BE EXPENDED BY THE END OF THE SUCCEEDING FISCAL YEAR END.

FAIR LABOR STANDARDS ACT

