

Fair Labor Standards Act (FLSA) New Requirements

UAC Meeting

October 8, 2019



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What is FLSA?

The Fair Labor Standards Act (FLSA) is a federal law administered by the Department of Labor. Specifically, the FLSA governs overtime provisions, which ensure employees receive pay at a rate no less time-and-a-half for all time worked in excess of 40 hours in a work week.

How has the FLSA changed?

Currently, the salary threshold for exemption status is \$23,660 per year (\$455 per week). On September 24, 2019, the Department of Labor announced a final ruling to increase the salary threshold to \$35,568 per year (\$684 per week), effective January 1, 2020.



What is the impact to NMSU?

- There are about 368 possible impacted positions (Gr. 05 & 06).
- Pay adjustment from on-time to lag pay will result in a delayed paycheck after conversion (e.g. Conversion January 1, next paycheck January 31).
- Eligibility for OT for some positions.
- Employees will need to submit a timesheet each pay period accounting for the hours worked on a daily basis.
- Employees may feel that they are undervalued or not seen as professional (exempt to nonexempt).

What are the next steps?

Over the next month, HRS will be reviewing the impacted positions:

- HRS will complete the initial review of positions in grade 06 and below.
 - Application of the “FLSA exemption test” to each position.
 - The **most recent** information provided in position classification actions and postings will be reviewed to determine if the positions meet the exemption tests.

What is the FLSA exemption test?

Completion of a questionnaire to determine the exemption status of a position. To qualify for an exemption, all answers must be yes to the questions asked.

- ✓ For example, primary duty consists of performing office or non-manual work directly related to the management or general business operations of the employer or the employer's customers.
- ✓ Work includes the exercise of discretion and independent judgment with respect to matters of significance.
- ✓ Is pay at least \$35,568 per year (\$684 weekly), effective Jan. 1, 2020.



Communication Plan?

- HRS will contact departments with impacted positions at the end of October thru the first week of November.
- In November, HRS will have open forums for employees and their supervisors to discuss the upcoming changes in general to the exemption status.
- A Q&A will be published online as well as other relevant information regarding the change.

HRS is working with Administration and Finance to determine feasible options to address the lag pay.

More information to come.



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