Fair Labor Standards Act (FLSA)

Update for Employees

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November 2016
Agenda

Today We will Answer

- What is the Fair Labor Standards Act (FLSA)?
- What changes will impact me?
- What can I do?
- What resources are available to me?
What is the Fair Labor Standards Act (FLSA)?
Fair Labor Standards Act (FLSA)

What is FLSA?

- The Fair Labor Standards Act (FLSA) is a federal law administered by the U.S. Department of Labor (DOL) that establishes pay and labor rules for public and private sector employers.

- The FLSA describes time reporting requirements and establishes a national minimum wage. FLSA regulations also determine which jobs are considered nonexempt (paid hourly and eligible for overtime) vs. exempt (paid salaried and ineligible for overtime).
What is FLSA?

- Beginning on Dec. 1, 2016 (effective Nov. 21 at ASU), the salary threshold for exemption from overtime pay will change from $455 per week ($23,660 per year) to $913 per week ($47,476 per year).

- Except for narrow exceptions, current exempt ASU employees who are paid on a salary basis and earn less than $913 per week ($47,476 per year) will become nonexempt, overtime-eligible employees. Higher education institutions may provide their employees with comp time instead of cash payment for overtime hours.

- Employees who are being converted from exempt to nonexempt will be notified in mid to late October, along with their direct supervisors.
ASU HR Video

Office of Human Resources

Fair Labor Standards Act

updates to the Act and the impact on you
What changes will impact me?
Fair Labor Standards Act (FLSA)

FSLA Changes

- The new FLSA Regulations results in some ASU employees being reclassified from exempt to nonexempt/hourly.

- Nonexempt employees are paid hourly and receive comp time/overtime for each hour *worked* over 40 hours per workweek.

- Exempt employees satisfy an exemption test (e.g., administrative, executive, professional) and are paid on a salary basis of $913 per week or more. They do not receive compensatory time or overtime compensation.
Fair Labor Standards Act (FLSA)

FSLA Changes

- Annual salaries effective Nov. 21, 2016, will be calculated on a weekly rate, divided by 26 (the biweekly rate) divided by two (to get to the weekly rate). For example, a full-time employee with an annual salary of $40,000 would have a converted weekly rate of $769.23 ($40,000/26 = $1,538.46 biweekly or $769.23/week).

- You will be required to record your actual time worked each pay period using the PeopleSoft system in addition to any existing process in place in your area. All hours must be submitted and approved during the pay period in which they are worked to avoid a delay in pay.
FSLA Changes

- If you are required to work during nonstandard hours, you must receive pay for all hours worked and must receive compensatory time (or in certain instances overtime compensation) for hours worked in excess of 40 in a workweek including work performed on evenings and weekends. Any overtime hours must be pre-approved and reported in the same week in which they are worked. Supervisors cannot report hours over 40 hours per workweek in another pay period to avoid paying comp time/overtime.

- Checking voicemails or emails after normal working hours, beyond a small amount of time, is considered time worked, and you must be compensated. If it is required, get approval from your supervisor prior to performing work outside your normal hours. See SPP 404-08 for more information.
What can I do?
Fair Labor Standards Act (FLSA)

What can I do?

- Have regular conversations with your supervisor.
  - How is your work load?
  - Are you on a deadline and need help with a project?
  - Can you take advantage of a flexible weekly work schedule for a weekend event?
  - If overtime is needed, it must be first approved by your supervisor and then you will need to submit the Overtime Approval Form.
Fair Labor Standards Act (FLSA)

What can I do?

- Report your Time
  - Employees should report hours weekly
    - Set a calendar reminder for Fridays to enter your time.
  - All full time employees must account for 40 hours a week in (quarter hour increments) for each week including work, vacation, sick, holiday, etc.
  - Notify your manager when your hours have been submitted for the pay period reporting.
  - If you fail to report your time, you will not be paid.
What resources are available to me?
FLSA Resources

- U.S. Department of Labor (DOL)
  https://www.dol.gov/whd/flsa/
- ASU Human Resources
  https://cfo.asu.edu/flsa-faqs-employee-information
- Your Human Resources Partner
  https://keep.sp10.asu.edu/sites/hr/
- Payday and Payroll Calendars
  https://cfo.asu.edu/payroll-calendars
- SPP 404-08: Nonexempt Employee Electronic Communications
  http://www.asu.edu/aad/manuals/spp/spp404-08.html
- Nonexempt Employee Travel
  https://cfo.asu.edu/non-exempt-travel
PeopleSoft Samples
### PeopleSoft Samples

**Management Intern**

*View By: Week

*Date: 11/07/2016

**Reported Hours:** 27.00

**From Monday 11/07/2016 to Sunday 11/13/2016**

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**Total Time Reporting Code**

- 8.00: HOP - Holiday Hourly
- 19.00: HRY - Reg Hours

**Leave and Compensatory Time Balances**

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[View Paycheck]
[Return to Select Employee]
Thank you

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