

To: UGA faculty and staff
From: Juan Jarrett, Associate Vice President for Human Resources
Re: Additional assistance offered to FLSA-affected staff members
Date: September 30, 2016

I want to offer my thanks to the many UGA faculty and staff who have attended the Fair Labor Standards (FLSA) forums in the last three weeks. Please know the University understands and deeply regrets the financial burden that this transition will place upon many of our staff members. We are committed and continue to work diligently to provide viable options to help mitigate the impact.

As UGA continues planning for the implementation of the new federal regulations, I am pleased that several options have been identified to lessen the financial impact of the transition of monthly to biweekly pay for our affected staff members. These additional voluntary options are listed below, and our work continues to identify others.

Working to Decrease the Number of Days to Receive Pay

For staff members paid on a biweekly basis, the 9-day time frame between the end of the pay period and receiving a paycheck is very similar to UGA's peers including Georgia Tech (9 days) and the University of Florida (8 days). Additionally, it is less than many other peer schools including the universities of Illinois, Iowa, Missouri, North Carolina, Washington, Wisconsin, North Carolina State and Ohio State, whose delays range from 10 to 14 days. The University is continuing to look at ways to decrease this time gap and put paychecks in the hands of our staff more quickly. We are actively working with our campus partners on several options to see if shortening the time frame is possible, and we will provide more information when available.

Low-Interest Loan Option

The University has partnered with Georgia United Credit Union to offer short-term, low-interest loan options designed specifically to assist UGA staff affected by this transition. Staff members moving to non-exempt status can apply for a loan from October 17 through December 15, 2016 and will have choices regarding the amount of the loan (\$1,000 or \$1,500 or \$2,000) as well as the length of repayment (6 months or 12 months). For example, for a loan of \$1,000 at a term of 6 months at 3.99% APR, UGA calculates the monthly payment to be \$168.61

and the total interest paid would be \$11.67. Please note this interest rate requires payroll deduction. Details about the GUCU low-interest loan option can be found on the FLSA website: <https://flsa.uga.edu/panel/flsa-staff-toolkit>

Defer, Pause or Stop Some Deductions

Parking fee: Affected staff may elect to defer payment of their November and December parking permit fees to be paid at a later date. More information will be made available on how to take advantage of this option in the coming weeks. Please be sure to check the FLSA Staff Toolkit, <https://flsa.uga.edu/panel/flsa-staff-toolkit> for more information.

Other deductions: Staff may pause or change certain voluntary payroll deductions at any time. Contact Benefits at benefits@uga.edu for help in changing or temporarily stopping deductions for HSA contributions, 403b, 457b, or 529 college savings plan contributions. These contributions may be restarted at any time in the future.

Letter Confirming the Pay Schedule Change

Staff members who may be speaking to lenders and other service providers (cable, electric companies, etc.) to rearrange payment schedules may request a letter that confirms their pay cycle is changing. Staff members can request this letter by emailing hrweb@uga.edu and asking for the FLSA confirmation letter.

Annual Leave Cash Out Option

As previously communicated on September 16, the University has been authorized to offer a one-time, voluntary annual leave cash out program in which staff members can be paid for up to 56 hours of their unused annual leave as supplemental pay for any month starting in November 2016 and ending in June 2017. The Additional details of this option can be found on the FLSA web site at: <https://flsa.uga.edu/panel/flsa-paycheck-calculator>

Budgeting Workshops on Campus

The University is also offering an optional workshop designed specifically to help affected staff as they move from monthly to biweekly pay. Read more about this workshop at: <http://www.hrdocs.uga.edu/financial-budgeting-workshop.pdf>

Recent Developments

The federal rule change is creating significant payroll challenges across the nation. On September 19, the State of Georgia joined 20 other states in filing suit in U.S. District Court to block its implementation. Earlier this week, the U.S. House of Representatives passed legislation to delay the rule change until June 2017. While we await the decision of the court and the possible action of federal lawmakers, the University must continue to plan for implementation on November 17. However, our ongoing efforts to mitigate the impact on affected staff also will continue.

Staff members affected by the change in FLSA regulations will receive additional details about these options in a separate communication. I would like to remind you that the University has created a website to provide up to date information about the FLSA transition: <https://flsa.uga.edu/>. I encourage you to visit this site regularly for further updates.

I thank everyone once again for their support and assistance in implementing this new federal ruling.