

To: Faculty and staff
From: Juan Jarrett, Associate Vice President for Human Resources
RE: Annual leave “cash-out” process for FLSA-affected staff

Background Information

As originally announced in early May and recently communicated, UGA is in the process of implementing the new mandatory Federal regulations under the U.S. Department of Labor’s change to the Fair Labor Standards Act (FLSA). UGA is now required by Federal law to reclassify certain staff members from exempt to non-exempt status. When this implementation is completed, affected staff will receive biweekly paychecks rather than monthly paychecks.

The required regulation affects over 4 million American workers including nearly 3,000 at UGA, and must be implemented no later than December 1, 2016. Now that affected staff members will become eligible for overtime pay they must change from monthly pay to biweekly pay. Effective November 17, 2016, they will join the more than 3,400 UGA staff already on biweekly payroll. Because all biweekly-paid staff members receive their paychecks several days after the last day of a pay period, affected staff members will experience a gap in pay before they receive their first biweekly paycheck on December 9, 2016.

Annual leave cash-out

The University understands that the initial transition to biweekly pay could affect your personal finances and continues to actively seek additional opportunities to assist with this transition and will keep the University community informed of any additional opportunities. As announced on September 1, UGA is now able to provide details on the annual leave “cash-out” process. This voluntary option will be available for staff members transitioning from monthly pay to biweekly pay as a result of the FLSA regulation change. Affected staff members will be able to decide whether this offer makes sense for them personally.

Affected staff members will have a one-time opportunity, to select **up to 56 hours** of their **unused annual leave balance** and receive a special supplemental paycheck at the end of the month. The cash out may only be made in an amount of annual leave equal to or less than a staff member’s annual leave balance for the month the cash out will occur. For those who may not have sufficient leave accrued to cash out 56 hours, staff will be given until June 2017 to accrue a sufficient balance to receive the cash-out amount they desire. Although the cash-out option can be received through June 2017, the request must be submitted to your supervisor and departmental HR staff by March 10, 2017.

For more information about the annual leave cash-out process, please visit <https://flsa.uga.edu/panel/flsa-paycheck-calculator> on the FLSA web site. An online form will soon be available for staff members to elect the number of annual leave hours to cash out.