

DATE: September 1, 2016

TO: UGA faculty and staff

FROM: Jere W. Morehead, President

RE: Information about U.S. Department of Labor Changes in Overtime Regulations

In May of this year, the U.S. Department of Labor (DOL) announced a significant change in the Fair Labor Standards Act (FLSA) anticipated to impact over 4 million employees across the nation, including many at UGA. Under these new DOL regulations, UGA staff who make less than \$913 per week (\$47,476 full-time annually) will be classified as non-exempt and eligible for overtime pay. In addition, some staff who make more than \$913 per week may also be classified as non-exempt and eligible for overtime pay if their duties do not meet the DOL's criteria to remain exempt.

Since that announcement, Human Resources has been working in close coordination and collaboration with campus partners to implement these new Federal regulations. This change, which the university will implement on November 17, will affect approximately one-third of UGA staff members. UGA staff members who are moved to non-exempt classifications will follow the Kronos procedures established by their units to monitor time. This may include clocking in, if necessary, or reporting their time by the established deadline for their pay period.

#### **How does this affect UGA staff?**

1. To comply with the Federal regulations, affected staff members will transition to a biweekly (every other week) payroll and will receive 26 paychecks each year.
2. In ten months of the year, those affected staff will receive only 12/13ths as much gross pay in their biweekly checks as compared to the regular monthly checks. However, two months of the year, they will receive three paychecks, thus their annual salary remains the same after this change.
3. Because non-exempt staff may earn overtime, there will be a lag between the end of the biweekly pay period and receiving the paycheck; this is so all worked hours can be calculated properly.
4. **To minimize the financial impact caused by this transition and gap in pay, UGA has been authorized to provide a one-time opportunity for staff to be paid for a limited amount of their unused annual leave. We are encouraging staff to consider this possibility in managing their annual leave balances until the implementation of the FLSA transition. More details will follow.**
5. Those staff members transitioning to a biweekly payroll must report their hours worked on a weekly basis and will be eligible for overtime pay if they exceed 40 worked hours in a week.
6. UGA staff members who are moved to the biweekly payroll will follow the procedures established by their units to monitor their work time. This may include using a timeclock, if necessary, or reporting their time by the established deadline for their pay period. Supervisors of the affected staff will approve their work time.

Be assured, this change is in no way a reflection on the essential roles our staff play or how deeply the University values our staff. On the contrary, the University continues to place great value on the professional manner in which our staff perform their important roles and the many contributions our staff make to the success of this institution. Please know, the University is required to make these changes to comply with these new Federal regulations.

### **What's happening now?**

Human Resources has communicated with academic and administrative units to provide the job titles and names of staff members who may be affected by the new regulations. HR/FLSA teams are in the process of meeting with campus departments to answer questions related to their affected staff. Early next week, HR will communicate directly with staff who may change from exempt to non-exempt status and therefore, be paid on a biweekly basis and become eligible for overtime pay.

### **Training sessions available**

A variety of programs will be available to assist staff and supervisors throughout this transition, including budget planning, supervising non-exempt staff, and staff and supervisor training for Kronos (the University's system of record for time and attendance). You may view a list of available programs at <http://flsa.uga.edu/panel/flsa-supervisors> and <https://flsa.uga.edu/panel/flsa-other-resources>. This list will be updated as additional information is available.

For more information on FLSA and its implementation at UGA, visit the FLSA web site: <http://flsa.uga.edu>. Questions regarding FLSA at UGA may be directed to Human Resources, 706-542-2222.