

TO: Vice Presidents, Deans, HR Partners, and Unit Chief Financial Officers

FROM: Juan A. Jarrett, Associate Vice President for Human Resources

RE: UGA implementation of the 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) that is anticipated to impact millions of employees across the nation, including many staff at UGA. In short, the DOL announced changes to the regulations governing which employees are entitled to the FLSA's overtime pay protections. Under these new DOL regulations, UGA staff who make less than \$913 per week (\$47,476 full-time annual) will be classified as non-exempt. With this change, these staff members must report their hours worked on a weekly basis and are eligible for overtime pay if they exceed 40 worked hours in a week. In addition, these staff members will receive payment on a biweekly (every other week) basis.

The University has been working to prepare for this DOL rule change and is ready to begin the final review for implementation of the rule by the December 1, 2016, deadline established by DOL. UGA intends to implement the rule change by November 17, 2016. Staff 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.

The steps below will be accomplished August through October 2016 on a staggered schedule.

Step 1 (August through September)

Human Resources will contact the HR partners or the unit chief financial officers of divisions, schools, and colleges to: (1) provide an official list of classifications and their statuses under the new FLSA regulations; (2) provide a listing of impacted positions and affected staff for each unit to review; and (3) schedule meetings with unit management to review their rosters.

Step 2 (August through October)

HR will meet with units to finalize their list of impacted classification and staff members. Since the classifications will already be vetted and approved in the first step, these meetings will (1) address individual cases and (2) provide instruction to the units on the logistics of completing the implementation, including personnel documents required for processing.

Step 3 (August through October)

After unit-level meetings have been completed, departments will submit personnel reports for their affected staff. HR will also work with divisions, schools, and colleges to communicate with those staff members whose classification will change from exempt (not eligible for overtime pay) to non-exempt (eligible for overtime pay) status.

Training Sessions to be offered (October and/or November; dates and times to be announced):

- **Supervisor/manager training** – the audience for this training will be managers who have not previously managed non-exempt staff. The training will assist managers with their communications with staff who are newly eligible for overtime and provide guidance in managing the duties and responsibilities of non-exempt staff.
- **Kronos training for affected staff** – the audience for this training will be staff moving from the monthly payroll to the biweekly payroll.
- **Kronos training for supervisors/managers** – the audience for this training will be managers who must use the Kronos time and attendance system to approve time for non-exempt staff.
- **Financial advising for affected staff** – the audience for this training will be staff moving from monthly to bi-weekly payroll with concerns about the potential financial impact. Included in the discussion will be considerations regarding scheduled bill payments and budgeting changes that come with receiving multiple, staggered paychecks per month instead of one monthly paycheck.

No action is required on your part at this time, but please familiarize yourself and inform your units with the planned timeline for implementation. Again, this is a DOL change impacting employees across the nation. Departments will be contacted by Human Resources in the coming weeks to schedule meetings. Questions about this implementation may be directed to Russ Ramsey in HR: rramsey@uga.edu or 706-542-5720.

##

Administrative Memos are coordinated through the Office of the Senior Vice President for Academic Affairs and Provost. For more information, contact Sam Fahmy at sfahmy@uga.edu.