TO: Vice Presidents, Deans, and Administrators

FROM: Barbara J. Baran-Centeno, AVP, HR

DATE: June 13, 2016

RE: FLSA Revisions

The Department of Labor announced the final revisions to the Fair Labor Standards Act (FLSA) on Tuesday, May 17. The new regulations will impact “exempt” staff that make less than $47,476 annually. Those employees currently classified as “exempt” are not entitled to receive federal overtime for working more than 40 hours per week; however should their status change to “non exempt” they will be entitled to federal overtime (at 1.5x their hourly rate) when working greater than 40 hours in a week.

This regulation will not affect faculty, teachers or lecturers since they are exempt “if their primary duty is teaching, tutoring, instructing, or lecturing in the activity of imparting knowledge”.

The effective date of the Final Rule is December 1, 2016 with anticipated automatic updates to increase the $47,476 threshold every three years, beginning on January 1, 2020.

Next Steps:
1. HR has completed their initial analysis of the proposed changes and will be making recommendations to the CMO in the next several months on any actions necessary to implement these regulations. Training for employees, management and timekeepers will be required after implementation plans have been finalized.
2. A robust communication strategy will be developed/delivered for both affected employees and management.

We will continue to provide you updates as decisions are made. Questions can be directed to Denise Moore at x5916 or Bruce Tingle x4651.

NOTE:
Rules regarding state compensatory time are not affected by these federal changes
http://www.utsa.edu/hr/Leave/guidance.comp.time.admin.html

To learn more, please refer to: https://www.dol.gov/WHD/overtime/final2016/overtime-factsheet.htm

For information specifically addressing the impact of the Final Rule on Higher Education: https://www.dol.gov/sites/default/files/overtime-highereducation2.pdf.