

NEW FAIR LABOR STANDARDS ACT (FLSA) REGULATIONS - SUPERVISOR DOCUMENT

On September 24, 2019 the U.S. Department of Labor (DOL) released updated Fair Labor Standards Act (FLSA) regulations to revise the criteria defining the type of employee who is eligible for federal overtime (non-exempt employee) and the type of employee who is not eligible for federal overtime (exempt employee). Eligibility for overtime pay is determined by certain tests of job duties and pay. Under the new rules, employees must be classified as non-exempt and will be eligible for overtime pay or compensatory time off if their annual salary is below \$35,568, up from the previous salary threshold of \$23,660 a year. The change takes effect on **January 1, 2020**. All members of the Texas A&M University System are obliged to comply with the regulations.

Your unit head will provide you with names of employees you supervise who will transition to non-exempt positions.

As a reminder, non-exempt employees receive their paychecks bi-weekly, are paid at an hourly rate for the number of hours worked, are required to submit hours worked in Workday, and are eligible for overtime compensation or compensatory time off at a rate of 1.5 times hours worked that exceed 40 in a workweek.

We also remind you that increased management oversight will be required to ensure non-exempt employees report all hours worked in Workday. Please discuss work schedules with your non-exempt employees and any relevant unit policies or practices about overtime and compensatory time.

The transition from exempt to non-exempt will be a major shift for employees. We appreciate your assistance in conveying the message that they remain a valuable part of the organization and their contributions are still critical to achieving our mission. The change from exempt to non-exempt is simply to comply with the law; it is not a reflection of the value placed on any position.

Recommended Actions:

1. Review the FLSA FAQs: <https://agrilifeas.tamu.edu/fair-labor-standards-act-faqs/>
2. We also encourage you to take TrainTraq Course 2112756: Comp Time Issues for Supervisors.
3. Review the Workday Job Aid for Supervisors to Approve Time:
https://apps.system.tamus.edu/resources/download/WorkdayServices/Job_Aids/Approve_Time.docx