

January 8, 2018

To: Department Chairs, Directors, Business Officers and Academic Personnel Analysts (via SBCHR-L, SBDIR-L, and SBADMIN-L)

From: Cindy Doherty, Director,  
Academic Personnel

Re: Update on Department of Labor Salary Threshold Ruling

As you may recall, in 2016 the Department of Labor (DOL) indicated that it would be doubling the minimum salary threshold for Fair Labor Standards Act (FLSA) exempt employees from \$23,660/year to \$47,476/year effective December 1, 2017. In anticipation of the effective date of the proposed rule, the University reclassified non-student, non-faculty academic employees earning less than \$47,476 to non-exempt hourly employees effective November 20, 2016. As of November 2017, the DOL, under the current federal administration made clear that the proposed \$47,476 threshold will not be instituted. The FLSA threshold therefore is, and will remain, at \$23,660/year unless further rulemaking is undertaken by the DOL.

As a result of this decision, the University will reclassify current non-student, non-faculty academic employees making less than \$47,476 but more than \$23,660 as exempt no later than July 1, 2018. The threshold is based on actual earnings, not the full time rate. In other words, a full-time employee with an annual rate of \$50,000 is classified as exempt. That same employee working 25% time has salary of \$12,500 and thus is classified as non-exempt. Beginning immediately, employees will be transitioned as follows:

- New employees with salary rate of \$23,661 or higher will be classified as exempt and paid on a monthly basis.
- Current exempt employees who experience a change in percentage of time resulting in a salary of \$23,661 or higher will remain exempt.
- Current exempt employees who experience a change in percentage of time resulting in a salary of \$23,660 or lower will be transitioned to non-exempt status and bi-weekly pay.
- Current non-exempt employees with a salary greater than \$23,660 who are reappointed before July 1, 2018 will be transitioned to exempt status and monthly pay effective the start date of the reappointment.
- Effective July 1, 2018 any remaining non-exempt employees with a salary greater than \$23,660 will be transitioned to exempt status and monthly pay.

In support of these changes, the title code 3330 Jr. Specialist (exempt) has been reinstated and salary scale [Table 24](#) has been updated to include annual and monthly rates for Jr. Specialists.

The Academic Personnel office will be directly notifying impacted employees of the upcoming changes. Approval letters for appointments, reappointments, and modifications will continue to indicate an hourly rate for non-exempt employees and an annual rate for exempt employees.

Jr. Specialists and Postdocs:

Billy Ko [billy.ko@ucsb.edu](mailto:billy.ko@ucsb.edu) x4441

Other research titles:

Joanna Kettmann [joanna.kettmann@ucsb.edu](mailto:joanna.kettmann@ucsb.edu) x5048

Academic Coordinators:

Karen Moreno [karen.moreno@ucsb.edu](mailto:karen.moreno@ucsb.edu) x5429

Helly Kwee [helly.kwee@ucsb.edu](mailto:helly.kwee@ucsb.edu) x5428

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Cindy Doherty  
Director  
UCSB Academic Personnel  
(805) 893-8332  
[cindy.doherty@ucsb.edu](mailto:cindy.doherty@ucsb.edu)