

November 28, 2016

To: Campus Community

From: Cindy Doherty, Director, Academic Personnel
Cynthia Señeriz, Director, Human Resources

Re: UC will move forward to implement the new Fair Labor Standards Act (FLSA) changes

Dear Colleagues:

We write to update you on the status of the Department of Labor's (DOL) new overtime rule. On November 22, 2016, a federal district judge issued a nationwide preliminary injunction blocking implementation of the U.S. Department of Labor's rule that nearly doubles the minimum salary level required for the executive, administrative and professional overtime exemptions under the Fair Labor Standards Act. This means that employers are no longer required to meet the December 1, 2016 implementation deadline.

Last month, the State of Nevada and 21 other states filed the emergency motion for a preliminary injunction to halt the implementation of the new minimum salary regulations, arguing that the DOL exceeded the authority delegated by Congress in adopting the new salary level. The lawsuit was filed in U.S. District Court in Texas, and was consolidated with another lawsuit challenging the rule brought by over 50 businesses and the U.S. Chamber of Commerce. Following the ruling, the DOL issued a statement expressing that it disagreed with the decision and was considering all options. The DOL will likely appeal the court's order, but it is uncertain how long an appeal may take. If the preliminary injunction pushes the implementation date past January 20, 2017, the new administration may reopen and revise the overtime rule.

Despite this recent development, the UC system is moving forward with the implementation plans previously communicated to business officers, department heads, department chairs, divisional control points, and impacted employees. In the coming months, the Office of the President will be following developments on the status of the DOL's overtime rule and engaging in consultation and communication with the Office of Academic Personnel and the campus Human Resources department.

Questions should be directed to the following resources.

For staff questions, please contact the Compensation Analyst that supports your department. The contact page is available at:

<http://www.hr.ucsb.edu/compensation/contacts>

For academic personnel questions, please contact the Academic Personnel Analyst responsible for your area of campus and employee titles.