

August 24, 2016

To: Department Chairs, Directors, and Business Officers (via SBCHR-L, SBDIR-L, and SBADM-L)

From: Cindy Doherty, Director, Academic Personnel

Re: Impact of Fair Labor Standards Act change on Academic Employees

On May 18, 2016, the Department of Labor (DOL) published its final rule regarding the Fair Labor Standards Act (FLSA), effective December 1, 2016. The final rule will increase the minimum salary threshold to remain an exempt employee to \$913 per week or \$47,476 per year. Employees who have the primary duty of teaching (Senate faculty, Lecturers, TAs, Associates, and other teaching titles) are not affected by the ruling. Students engaged in research (Graduate Student Researchers) are also not affected by the ruling.

On, or near December 1, 2016, the following changes will be implemented:

- Employees in the Junior Specialist title will be transitioned to hourly, bi-weekly paid employees. As such, they will be required to report hours worked, will be paid the hours reported, and will be eligible for over-time when working in excess of 40 hours in a week.
- Salary scales for Assistant Specialist steps I and II, and for Academic Coordinator I (Academic Year) Steps 1, 2, and 3 will be increased to rates above the \$47,476 threshold while still maintaining distinct rates for each step. Scales will be shared as soon as they are made available by the Office of the President.
- Part-time employees in affected titles will be classified as non-exempt, and will be paid on an hourly, bi-weekly basis, if their prorated earnings (annual rate times the appointment percentage) fall below the threshold rate.

In addition, the University is currently in collective bargaining negotiations with the UAW regarding the Postdoctoral Scholar salaries.

At this time the proposed December 1 increases should be taken into account for budgeting and planning purposes, including contract and grant budgets.

Information regarding affected staff titles and employees will be forthcoming from Human Resources.

More information regarding academic employees will be shared as it becomes available. We anticipate having further details by October and will announce workshop dates for employees, PI's and staff as soon as possible.

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