

A large, thick black L-shaped graphic is positioned on the left side of the slide, extending from the top to the bottom. A second, similar L-shaped graphic is positioned on the right side, extending from the top to the bottom. The two shapes are mirrored and together form a partial frame around the central text.

FLSA TRANSITION

October 2016

Agenda

- Why are things changing
- Who is impacted
- When will things change
- What changes will take place
- How the changes are being implemented
- Resources

Why are things changing

- The Department of Labor (DOL) recently issued a new ruling related to the Fair Labor Standards Act (FLSA) to be effective December 1, 2016. The provisions that most directly impact the University are:
 - *The threshold for being classified as exempt (not eligible for overtime pay) increased from \$23,660 to \$47,476 per year (\$913/week)*
 - *The threshold is prorated for part-time employees*

- Although the final ruling was issued in May 2016, the University needed time to figure out how to best implement the changes.

Who is impacted (and who is not)

- Employees with the primary duty of teaching are exempt
 - *Professors, Lecturers*
 - *Employees holding multiple positions (one teaching, one not, may be exempt)*
- Registered students employed in student titles are exempt
 - *GSRs, TA's, Associates, etc.*
- Without salary appointments are not impacted
- All other employees are impacted if pay (pro-rated for part time employees) is below the threshold
 - *Approximately 100 academic employees will become non-exempt*
 - *Includes non-faculty recall appointments*

When will things change

- DOL ruling takes effect December 1, 2016
- UC changes will take place November 20, 2016; the start of a bi-weekly pay period
- Postdoctoral Scholar scale will change December 1, 2016 as a result of bargaining
 - *Scale changes December 4, 2016 for non-exempt Postdocs*
 - *Training on the new contract will be held soon*

What changes will take place

- An employee with a salary (pro-rated for part-time) below the threshold will:
 - *Be paid on the bi-weekly pay schedule*
 - *Track and report time on an hourly basis*
 - *Be paid an hourly rate*
 - Hourly rate= annual rate/2088
 - *Be eligible for over-time pay if more than 40 hours of work in a week.*
 - Overtime is paid at time-and-a-half
 - Additional hours below 40 hours are paid at the normal hourly rate.
 - *Accrue vacation and sick leave on a factor basis vs. table basis*

Impacted employees by group

- Junior Specialists
 - *All Junior Specialists will become non-exempt and transition to hourly pay*

- Assistant Specialist Step I and II
 - *Pay scale will increase to bring rates above the threshold (UCSB min = scale rate). Full time employees will remain exempt*
 - Step I \$44,367 to \$47,484
 - Step II \$47,268 to \$48,492

- Part-time employees in any non-teaching, non-student title with prorated pay below the threshold will transition to hourly pay

More on part-time employees

- Determination of exempt or non-exempt will be made at the time of appointment, reappointment, or modification of the appointment.
- Determination is made based on total employment, not per job
 - *Make sure appointment paperwork lists other employment if applicable*
 - *If also teaching, evaluated on an individual basis by Academic Personnel*
- Variable appointments or end of multiple appointments
 - *Must change to non-exempt if below threshold for a month*
 - *May stay as non-exempt if occasionally above threshold*
 - *Will evaluate individually based on long-term intent*
- Reductions in time for FMLA reasons or partial leave do not change status

How the changes are being implemented

- Pay schedule for those changing from exempt to non-exempt
 - *December 1: receive pay for the period of November 1-November 19*
 - *December 14: receive pay for the period of November 20 to December 3*
 - *December 28: receive pay for the period of December 4-December 17*

 - *Vacation pay-out, if requested, will be issued with the December 1 paycheck*

- New title codes and salary scales for non-exempt employees have been developed
 - *New codes available now, except Postdoctoral Scholar, non-exempt*
 - *New “N” scales available now*
- PPS programming update November 1 to allow non-exempt academic titles
- Academic Personnel sending notification and information packet to each impacted employee, with copy to department.
- AP Folio being updated to reflect changes

Employee tasks

- Review notification letter and packet they receive via email
- Attend information sessions
- Submit vacation pay-out request to Academic Personnel by Nov. 10
- Report time on an hourly basis (to the nearest quarter hour), accurately reflecting time worked
- Review own personal finances regarding planning, auto-payments, etc.

Department tasks

- Review roster of impacted employees
- Update PPS for each employee before November 20
 - *Determine if employees will be positive or exception pay*
- Meet with employees to review hourly/Bi-weekly time-keeping and reporting processes (Kronos updates are being coordinated centrally)
- Complete department section of vacation pay-out form and facilitate submission to Academic Personnel by November 10
- Advise PI's of the changes; particularly need to accurately report and pay actual hours and any possible budget implications

PPS instructions for exempt to non-exempt

- End existing appointments and distributions effective 11/19/16.
- Establish new appointments and distributions beginning 11/20/16.
 - *Use non-exempt (NEX) title code as indicated on roster*
 - *Use hourly rate indicated on roster*
 - *Rate code changed from A (Annual) to H (Hourly)*
 - *Pay Schedule changed from MO (Monthly) to BW (Bi-Weekly)*
 - *Leave code is unchanged*
 - *Time code may be R (exception pay) or Z (positive pay)*
- Additional instruction will be provided for non-exempt Postdoc input
- Academic Personnel will over-ride FSLA status as needed

PPS instructions for Asst. Specialist I & II pay rate change only

- End existing distributions effective 11/19/16.
- Establish new distributions effective 11/20/16.
 - *Use new rate indicated on the roster.*

Other non-exempt considerations

- Travel time:
 - *Time during the appointee's regular work hours is considered time worked.*
 - *Time outside of assigned regular work hours is not time worked, unless actual work is performed during that time*
- Rest and meal breaks:
 - *Rest breaks are included in time worked*
 - *Meal breaks are not included in time worked*
- Vacation and sick leave reporting:
 - *Report in increments rounded to the nearest quarter hour*

Resources

- Academic Personnel web-site
 - *Updated salary scales*
 - “N” scales
 - Postdoc and Assistant Specialist new rates

 - *Resources for Department Analysts*
 - Supervisor/Manager Fact Sheet
 - PPS instructions
 - FAQs

 - *Resources for Academic Employees*
 - Transition Assistance (vacation pay out) request form
 - FAQs

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