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
Academic Personnel contacts

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