

## **FLSA Changes - Core Talking Points for Supervisors**

### **Why are the overtime exemption rules changing?**

President Obama asked the Department of Labor (DOL) to revise its regulations to make more workers eligible for overtime pay.

### **What are the changes?**

- Staff earning under the minimum salary and staff not meeting other parts of the exemption test will move to non-exempt on the first day of the pay period preceding the required implementation date.
- The base pay rate will not decrease.
- Overtime must be pre-approved by the supervisor.
- The pay rate is based on a 40 hour workweek so converted employees will be on a 40 hour schedule.
- Pacific is grandfathering the vacation accrual rates and maximums for incumbent employees moving to non-exempt.
- Other benefits remain the same.
- Non-exempt staff submit a semi-monthly time sheet.
- They also use sick or vacation time to offset appointments or time away from work during scheduled hours.
- They follow the lunch and break time schedule rules.

### **How does overtime pay work?**

An overtime eligible employee (non-exempt) is paid overtime as follows:

We must pay 1.5 times the employee's regular rate of pay for:

All hours worked beyond eight in a single workday

All hours worked beyond 40 in a workweek

The first eight hours worked on the seventh consecutive day worked in a single workweek

We must pay double the employee's regular rate of pay for both:

All hours worked beyond 12 in a single workday

Hours worked beyond eight on the seventh consecutive day worked in a single workweek

### **May I adjust an employee's schedule to minimize overtime pay?**

- Supervisors may direct an employee to work a different schedule in that specific work week to meet business needs. It must be in the same workweek and cannot be traded for time in subsequent weeks.
- Human Resources recommends the supervisor give as much advance notice as possible of the revised schedule for a specific work week but no less than 24 hours, unless it is an emergency.

**Why are we evaluating the FLSA status of positions over the new minimums?**

- Increased scrutiny of correct FLSA issues prompts Pacific to ensure positions currently classified as exempt meet all the exemption tests. We are taking this step to best comply with federal and state law.

**Where can I get more information or learn about how to manage and correctly pay for non-exempt staff travelling overnight?**

- HR has the frequently asked questions page up on the Manager Resources page under Employment Updates and Changes/FLSA.