

2016 Changes to the Fair Standards Labor Act (FLSA)

Below is a table summarizing the various employee categories and ways they should prepare for the FLSA changes. In addition, there are some groups with unique needs that must be considered when determining how the FLSA guidelines will be applied.

What do the 2016 FLSA changes mean to you?

Employee Groups & FLSA Criteria	Expected Change on October 30 th ?	Timekeeping Information	Overtime Information
<p>Employees currently non-exempt (eligible to earn overtime)</p>	<p>No change expected.</p>	<p>Continue to report your time and be compensated as you have been. At the university, all non-exempt employees are required to complete timesheets in order to report their hours worked, so that overtime hours are recorded, and are paid on a biweekly schedule. Your supervisor must approve your timesheet in order for pay to be processed.</p>	<p>Non-exempt employees are required to report overtime for any work performed over 40 hours in a standard work week. Hours worked must be counted in the current week and cannot be credited to future or previous weeks. Employees must obtain prior approval from their supervisor for overtime.</p>
<p>Employees currently exempt from overtime and whose annual salary is <i>above</i> the \$47,476/year threshold</p>	<p>No change expected.</p>	<p>Continue to work your standard hours each month and be compensated as you have been. At the university, all exempt employees are not required to complete timesheets and are paid on a monthly schedule.</p>	<p>It is expected that from time to time, due to your role and job duties, your position may require you to work beyond a typical 40 hour work week. This variance, however, does not impact the hours upon which you are compensated.</p>
<p>Employees currently exempt from overtime and whose annual salary is <i>below</i> the \$47,476/year threshold</p>	<p>A change is expected.</p> <p>You will shift to a non-exempt status effective October 30, 2016.</p>	<p>Prepare to fill out timesheets to record your hours worked. You will be compensated for all hours worked, including overtime when working more than 40 hours in a week. Your compensation will be determined upon an hourly rate and you will be paid on a biweekly pay schedule. Your supervisor must approve your timesheet in order for pay to be processed.</p>	<p>Non-exempt employees are required to report overtime for any work performed over 40 hours in a standard work week. Hours worked must be counted in the current week and cannot be credited to future or previous weeks. Employees must obtain prior approval from their supervisor for overtime.</p>

Postdoctoral Fellows and Postdoctoral Researchers

The university has determined that Postdoctoral Fellows do not have an employment relationship with the university. Fellows have identified funding and are assigned to OSU for mentored advanced training for a specific period of time. Therefore, they are not subject to FLSA.

On the other hand, Postdoctoral Researchers are considered employees; therefore, subject to the FLSA guidelines. If their salary falls below the \$47,476 threshold then they will be eligible for overtime pay.

Each college/VP unit is determining their strategy on how to manage this shift for their postdoctoral positions in order to meet their individual needs.

An important development for the research community - the National Institute of Health (NIH) did announce that NIH will be increasing the individual grant awards under National Research Service Awards (NRSA) for postdoctoral researchers to above the new threshold. We are awaiting further information on this.

Graduate Associates

GAs are primarily students, not employees, so they are generally exempt from FLSA rules and will remain monthly paid and ineligible for overtime. However, to comply with the university's Graduate School guidelines, GAs will shift to the Student Associate title during any semester when they are not enrolled in classes and become eligible for overtime.

This shift to Student Associate is not a new process; however, overtime eligibility as a Student Associate is a change. As a reminder, the Graduate School recently changed the minimum salary for GA's to \$1,666.67/month for a 50% appointment (pro-rated for increased/decreased FTE).

University Policy to Earn Overtime

With this change, it is a good opportunity to remind our organization of the university guidelines in place to manage overtime. All overtime requires prior approval by a supervisor before an employee works any hours beyond 40 in a standard work week.

At the time of that discussion, the supervisor and employee must mutually agree if the employee will be compensated by overtime pay or comp time (both are calculated at the time and a half rate). Each department has varying procedures in place to determine how overtime hours will be managed, further emphasizing the need of employees to get prior approval. Employees who do not follow these policies and procedures may be subject to disciplinary action. The university's *Policy 6.10 Scheduling Work and Overtime Compensation* is available at <https://hr.osu.edu/public/documents/policy/policy610.pdf>.

Important Terms

Non-exempt employees: staff who are eligible for overtime pay or compensatory time off. Non-exempt employees are paid on a biweekly pay schedule.

Overtime Hours: any hours worked in excess of 40 in a workweek

Workweek: the university's workweek is Sunday - Saturday

Overtime Compensation: overtime pay or compensatory time off provided to non-exempt employees who are required by management to be in an active pay status for more than 40 hours in a work week.

Overtime pay: compensation for any hours worked in excess of 40 in a workweek which is provided to the employee in the form of monetary compensation. Overtime pay is calculated at 1.5 times the employee's regular base pay/hourly rate.

Compensatory time off: compensation for any hours worked in excess of 40 in a workweek which is provided to the employee in the form of paid time off. Compensatory time is earned at the rate of 1.5 hours for each hour worked in excess of 40 hours in a workweek. Compensatory time off should be taken at a time mutually agreed upon within 180 calendar days from when it was earned.

Biweekly Pay Schedule: non-exempt employees are paid for a two-week work period, and compensated for that period two weeks in arrears.

