Overtime Changes on the Horizon

Department of Labor (DOL) Announcement

The US Department of Labor released rule changes on May 18, 2016 that will have an impact on who in our FAMU workforce receives overtime and who does not.

The DOL announced the publication of their final rule updating the Fair Labor Standards Act (FLSA) overtime regulations. The updated regulations increase the minimum salary required before an employee can be classified as exempt from overtime pay under the "white collar" exemptions, from $23,660 ($455 per week) to $47,476 ($913 per week). They also provide for automatic updating of the minimum salary threshold for this exemption every three years. These changes go into effect on December 1, 2016.

Although the Office of Management and Budget (OMB) has reviewed and approved the Final Rule, the document has not yet been published in the Federal Register. The Final Rule that appears in the Federal Register may contain minor formatting differences in accordance with Office of the Federal Register publication requirements.

Here is what we know right now:

- The salary floor for FLSA exemptions was raised to $47,476 annually.
- The effective date is December 1, 2016.
- The salary floor will be re-evaluated every 3 years.

What it means to FAMU

- We anticipate only a small percentage (approximately 9%) of FAMU’s fulltime employees being affected by this ruling.
- You can expect that some FAMU employees currently in exempt status (salaried employee - overtime ineligible) and whose salaries fall under the threshold ($47,476), will be placed in nonexempt status (hourly employee - overtime eligible) on Dec 1, 2016.
- The most impacted employees may be in the pay plans categorized as A&P and Faculty (Support & Administrative).
- FAMU employees already in nonexempt status (overtime eligible) will not be affected.

Currently the Office of Human Resources is working to make sure we fully comply with the new ruling. Along with University leadership and affected Departments, we will be evaluating the ruling’s impact. In developing the best approaches for complying with the changes, we will also be taking into consideration the uniqueness of higher education work tasks, work schedules and levels of accountability.

Communications and recommended options from the FAMU Office of Human Resources will be forthcoming in the following months.