

FREQUENTLY ASKED QUESTIONS

What is the Fair Labor Standards Act (FLSA)?

The FLSA is a federal law that establishes minimum wage, overtime pay, recordkeeping, and youth employment standards for employees in the private sector and in Federal, State, and local governments.

What do the terms “exempt” and “non-exempt” mean?

The status of “exempt” and “non-exempt” under FLSA determines whether an employee earns overtime or compensatory time for hours worked in excess of 40 hours per work week.

Employees who are exempt from the requirements of FLSA do not earn overtime and are paid a monthly salary regardless of the number of hours worked.

Employees who are non-exempt from the requirements of FLSA are required to report all hours worked. They are paid on an hourly basis, on a biweekly pay schedule and are eligible for overtime pay or compensatory time for hours worked over 40 in a workweek.

How do I know if my position is impacted?

Human Resources has been working with your respective leaders to identify employees who will be impacted by this change, either due to their title changing to non-exempt, or due to their current pay rate being lower than the minimum salary threshold. You will be notified by your leaders within your division once this process is complete.

Can employees opt out of this change (or supervisors opt an employee out of this change) if the employee wants to continue to be considered a salaried or exempt employee?

No. This change is being required by the United States Department of Labor and the University is obligated to follow the new requirement as a matter of law.

When will these changes take effect?

Employees remaining exempt, but receiving pay increases will be effective 12/1/16. Changes will be reflected on your M123116 paycheck you receive January 2, 2016.

Employees moving to non-exempt will begin clocking in November 30, 2016.

How will the probationary period be affected for those impacted employees moving from exempt to non-exempt?

Non-exempt employees have a probationary period of 6 months. Impacted employees will be moved to a 6 month probationary period and credited for the period of time already completed on probation while in an exempt status.

Example; An employee has already completed 3 months of their probationary period while in an exempt status. Upon transfer to a non-exempt status, the employee will only have to complete an additional 3 months probationary period.

An employee has already completed 7 months of their probationary period while in an exempt status. Upon transfer to a non-exempt status, the employee will no longer be on probation as they have completed the 6 month probationary period.

Will the annual salary change for those employees transitioning to non-exempt?

No, your annual salary will not be reduced as a result of this change. However, paycheck amounts will fluctuate from pay period to pay period based on the number of hours worked in that pay period.

Will benefits be affected for those employees transitioning to non-exempt?

No, your overall benefits will not be affected.

I am currently making above the new minimum salary threshold, so why am I being moved into a non-exempt status?

Positions that do not satisfy the standard duties requirements do not qualify for exemption regardless of how much the employee earns.

Will all employees in the same job title have the same FLSA status?

Yes. Since FLSA status is determined based on the job, all employees within the same job title will have the same FLSA status.

Do the regulations allow for a different salary threshold for other titles related to conducting research in a higher education setting?

No, research positions must meet the job duties tests and salary threshold to be exempt.

When are Non-exempt employees paid?

Non-exempt employees are paid every two weeks rather than once a month. The FY17 payroll calendars and pay schedules can be found on the Payroll website;

<http://www.uh.edu/human-resources/TRAM/>

How do I report my hours worked?

Hours worked are reported using either a Web Clock or a Time Collection Device (TCD).

Web Clock – Online-based time collection system for hourly employees located in P.A.S.S.

TCD – Electronic device used for hourly employees. These are located in designated areas where the employee is responsible for reporting time worked by scanning either his/her thumb or other finger.

Is training available for employees regarding reporting hours worked?

Yes, there are TRAM Employee Training guides located on the Payroll website.

<http://www.uh.edu/human-resources/TRAM/>

Is training available for supervisors regarding time approving?

Yes, there are TRAM training guides located on the Payroll website as well as instructor led trainings that will be available to Managers.

<http://www.uh.edu/human-resources/TRAM/>

Who decides on whether an employee receives Overtime vs. Comp Time?

The determination of whether an employee receives Comp Time or Overtime is based on workgroups that have already been established for each department.

Who is responsible for authorizing and scheduling overtime?

Supervisors are responsible for ensuring non-exempt employees are informed they may not work overtime without prior approval. Non-exempt employees are responsible for gaining approval prior to scheduling and working overtime. Occasionally non-exempt employees may be requested to work overtime by their supervisors.

Do holiday, vacation, and sick hours count as hours worked when calculating overtime/compensatory time?

No, only hours actually worked are counted.

How do I calculate my hourly rate now that I've been transitioned to non-exempt?

Annual salary/(Number of hours scheduled to work per week x 52 weeks) = Hourly Rate

Example: Employee is making an annual salary of \$32,000.00 and is full time at 1FTE (40 hours per week)
 $\$32,000/(52 \times 40) = \15.39 (hourly rate)

What will the November and December paychecks look like during the transition from Exempt to Non-exempt?

The M113016 paycheck will include payment for 11/1 – 11/29 will pay out 12/1/16. *This paycheck will NOT include 11/30/16.

The B121316 pay period will include 11/30 – 12/13 and will pay out 12/23/2016.

The B122716 pay period will include 12/14 – 12/27 and will pay out 1/6/2016.

Why is the biweekly paycheck less than half of the monthly paycheck?

For non-exempt employees there are 26 pay periods, rather than 24 pay periods, in a year. Although a biweekly paycheck may be less than half the amount of a monthly check, there will be two times in a year that a non-exempt employee is paid three times in a single month.

How will my payroll deductions be affected now that I'm paid bi-weekly?

As a bi-weekly employee some of your deductions are split between the first two pay periods in the month, while the voluntary deductions are taken with the first bi-weekly check of the month.

Deductions split between two paychecks;

Insurance (Health, Dental, Vision, ADD, Optional Life)

Garnishments – taken on every paycheck (based on court document)

Retirement – deduction is 7.7% of the calculated base

Deductions taken with the first bi-weekly check of the month;

Parking

Meal Plans

Wellness Center

Union Dues

Athletic Tickets

State Employees Charitable Contributions (SECC)

UH & Non-UH Contributions

Payroll Deductions

Payroll deductions will be collected in equal amounts from each check. If you currently have additional Federal Income Tax withheld from your paycheck and do not want to double the amount of additional

taxes withheld each month, you must log into P.A.S.S. and make this correction to your W-4 Tax Information.

Example; If you currently withhold an extra \$200.00 per paycheck as a monthly paid employee, then you must update your W-4, via P.A.S.S., to only withhold \$100.00 per paycheck.

Direct Deposit for multiple accounts

You will want to review your direct deposit information if you currently have your paycheck distributed to multiple accounts with set dollar amounts assigned to each account.

For example; if you have \$300.00 per paycheck designated to a savings account while the remainder of your paycheck is deposited into a checking account, you will want to change the savings account amount from \$300.00 per paycheck to \$150.00 per paycheck so that you still have only \$300.00f total per month deposited into your savings account instead of \$600.00 per month. To review your direct deposit information, please log into P.A.S.S. // Payroll and Compensation and select Direct Deposit.

Automatic bank drafts and bill pay

If you currently automatic bank drafts scheduled through your bank, you may want to review the timing of those drafts with your new pay schedule.

If you have additional questions concerning FLSA changes, you may contact Human Resources via email at flsa@uh.edu .