The Fair Labor Standards Act (FLSA) is a federal law enacted in 1938 which:

- Set minimum wage
- Required overtime pay
- Required recordkeeping
- Prohibited child labor
FLSA UPDATE JANUARY 20, 2016

- Last Year (2015), the Department of Labor proposed changes to the Fair Labor Standards Act (FLSA)
- If enacted, *the proposed changes* will impact up to 10 million employees nationwide including some Butler University employees
• The FLSA is an Employee Protection Act whereby employees are generally presumed not exempt and entitled to overtime pay

• There are exemptions for executive, administrative, professional, and computer employees
Employees may be exempt from FLSA if they meet 3 tests in regard to:

- **Salary Level** - The employee must be paid at least $23,660 annually
- **Salary Basis** - Employee must receive a predetermined, fixed salary that is not subject to reduction due to variations in quality or quantity of work performed
- **Job Duties** – Executive, Administrative, Professional, Computer-Related
The *proposed* rule changes will increase the baseline salary requirement for exempt employees from 23,660 to $50,440 per year.

Any increase to the baseline salary requirement means additional Butler staff will be classified as non-exempt and be paid based on their reported hours worked.
• The change will not impact instructors
• “Teachers are exempt if their primary duty is teaching, tutoring, instructing or lecturing in the activity of imparting knowledge, and if they are employed and engaged in this activity as a teacher in an educational establishment.”
• A final decision *has not* yet been made by the DOL
• Human Resources is monitoring the proposed changes and preparing for their potential implementation at Butler
RESOURCES

Additional information can be found at:

- Department of Labor FAQs—Proposed Regulations: http://www.dol.gov/whd/overtime/NPRM2015/faq.htm#2
- Butler FAQs—Non-exempt Hourly Employees: https://www.butler.edu/hr/flsa
- Butler FAQs—Proposed Regulations: https://www.butler.edu/hr/proposed-flsa-faq
- If you have any comments or questions regarding FLSA, please contact askhr@butler.edu or 317-940-6683.