

FLSA Update January 2016

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- **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

FLSA UPDATE JANUARY 20, 2016

- **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**

FLSA UPDATE JANUARY 20, 2016

- **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

FLSA UPDATE JANUARY 20, 2016

- 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

FLSA UPDATE JANUARY 20, 2016

- 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.”

FLSA UPDATE JANUARY 20, 2016

- 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)
<http://www.dol.gov/whd/overtime/NPRM2015/faq.htm#2>
- [Butler FAQs—Non-exempt Hourly Employees :](https://www.butler.edu/hr/flsa)
<https://www.butler.edu/hr/flsa>
- [Butler FAQs—Proposed Regulations:](https://www.butler.edu/hr/proposed-flsa-faq)
- <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.