Final Regulations for the Fair Labor Standards Act (FLSA)

What is the FLSA?
• Establishes Minimum Hourly Wage
  – $7.25/hour effective July 24, 2009
• Overtime Pay for Non-exempt employees
  – Rate of 1.5 for hours worked over 40 per work week
• Recordkeeping Requirements
  – Official poster requirements in each department
  – Employee time and pay records
• Child Labor Standards
  – Protect educational opportunities
  – Employment detrimental to their health/well-being
All employees are non-exempt (subject to overtime) unless they meet an exemption:

- Executive
- Administrative
- Professional

For more information, please go to https://www.ndsu.edu/hr/mgrtoolbox/mgrflsa/

What has changed in the federal law?

**Effective December 1, 2016:**

- Minimum Salary Threshold changed for EXEMPT employees:
  - From $455 per week to $913 per week
  - From $23,660 per year to $47,476 per year
  - Automatic salary increase every 3 years (approximately 7.2%)

How does this affect NDSU and my employees?

- Approximately 300 positions do not meet the new salary threshold
- Cost to increase salaries + benefit costs are approximately $1,000,000
- Concerns with state funding limits the opportunity to increase most salaries
- Most of the 300 positions will become non-exempt (subject to overtime)

What are some of the specific higher education positions that this law is affecting?

- Post-Doctoral Research Fellows
- Residence Hall Directors
- Admission Counselors

How is the change being implemented?

- A list of exempt employees by division was developed that documented employees who did not meet the new salary threshold
- HR met with each division lead to notify them of which employees do not meet the new salary threshold and determine next steps
- HR will meet with the affected department’s supervisors
- HR and Payroll will notify employees of their exempt status late fall

How do I manage non-exempt employee working hours?

- Set clear expectations and policies regarding working hours
- Ensure employees know that answering emails, texts, etc. off of work time, counts as time worked
- Ensure employee follows Policy 212: *requires pre-approval to flex work hours or to work more than a 40-hour work week*
- Failure of an employee to get pre-approval is a performance issue
- Use of flex time (change working hours) to maintain a 40 hour work week
- Use of comp time (employee is compensated at 1.5 hours per each hour over 40 to be used at a future date); employee’s choice of comp time or overtime
- Utilize PeopleSoft to track comp time - requirement
What if I don’t follow the law?

- Willful or Repeated Violations:
  - Prosecuted criminally
  - Civil money penalty of up to $1,100 for each violation

**Policy Updates:**

Policy 213: Rest Periods

*Employees who work more than four (4) five (5) hours in any one day shall be allowed a minimum of 30 consecutive minutes for one unpaid lunch period.*

Policy 101: Personnel Definitions

2.2.1 **Full-time Affordable Care Act (ACA) Temporary Employee**

*A person employed 30 hours or more per week or 130 hours per month or 1,560 hours per year; including any employee that is reasonably expected to work 30 hours per week for a month, qualifying variable hour employee, and employee who is not a seasonal employee.*

Policy 181: Resignation

*Job abandonment is considered a resignation. Job abandonment occurs when an employee has not contacted the institution and has not reported to their scheduled work shift for three consecutive days without approval. The institution shall notify the employee, in writing by certified mail, that the employee’s failure to report to work or to contact the employer constitutes job abandonment and is effective the last day worked. Written notice shall include notice of the right to appeal and a copy of Section 231 Appeal Procedure for Disciplinary and Reduction-In-Force Actions.*

**Upcoming Trainings:**

**Hiring International Employees**

Wednesday, August 10th 10 am-12 noon in Memorial Union-Hidatsa

Sponsored by Office of International Student and Study Abroad Services/Human Resources and Payroll

Learn the processes and regulations associated with hiring and paying foreign employees.

Discussion items include:

- Immigration Status
- Work Authorizations
- I-9 Compliance
- Taxation Regulations
- And More!

Register at: [Hiring International Employees](#) to reserve your spot
Genuine Leadership 2016
The Genuine Leadership training and development program provides a systemic approach to leadership development. As a manager, supervisor or leader of a work group or team, performance leaders help others do the work that ultimately makes an organization successful. They must ensure employee performance aligns with the direction and strategy of the organization. The skill sets learned in this program are required for effective leaders. Leaders teach, coach, reinforce, model, give feedback, empower, recognize and in all ways lead day-to-day behavioral improvement. It is critical to have effective supervisors and managers working for NDSU.

If you are interested in attending the fall sessions, have questions on cost, or would like a registration form, please contact Jill Stevens in Human Resources and Payroll at 701.231.8961.

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**Hiring for Attitude:**
A Revolutionary Approach to Recruiting and Selecting People with Both Tremendous Skills and Superb Attitude
Mark Murphy

_Hiring decisions should not be made only based on a candidate’s technical skills and functional knowledge-base. As you interview and hire new employees, be aware of the importance of all of the following 5 areas._

**Reasons new hires fail:**
- **Coachability (25%)**: Inability to accept and implement feedback received.
- **Emotional Intelligence (23%)**: Inability to understand and manage their own emotions and/or assess emotions of others.
- **Motivation (17%)**: Insufficient drive to achieve their full potential/excel in the job.
- **Temperament (15%)**: Not a fit for the duties/responsibilities of the position and/or the culture of the work environment.
- **Technical Competence (11%)**: Does not have the functional knowledge/technical skills required for the position’s duties and responsibilities.