Round 1: 2020 FLSA Implementation Training

Human Capital Services
FLSA 2020 Implementation
Training Overview

• FLSA Basics
• 2020 FLSA Update
• K-State’s Implementation
• Communication, Training, and Resources
FLSA Basics
FLSA Basics

All positions are assumed to be non-exempt unless they meet ALL of the following:

- Salary Threshold
- Paid on a salary basis and not hourly
- Duties test

Do the primary duties of the position qualify for exemption under US Department of Labor guidelines?
Common Myths & Misconceptions

- FLSA status is determined based on job title.
- All unclassified employees are exempt and all USS employees are non-exempt.
- Employees can volunteer additional hours of work and decline pay protection under the FLSA.
- If a job regularly requires working variable hours on evenings and weekends, it is likely exempt.
- If the overtime is not approved, it does not need to be paid.
Compliance Priorities

✓ All hours worked by non-exempt employees must be recorded and compensated

• “If we know or should have known”

• No off-record arrangements. Hours worked must be recorded in official system of record.

✓ Ensure supervisors are trained
Avoiding Overtime Liability

✓ Remind manager to clearly communicate expectations and set work schedules
✓ Schedules can be adjusted to avoid overtime (flexible time)
✓ Non-exempt employees may be sent home after 40 hours work in workweek
✓ Managers should review timesheets during the approval process
✓ Unauthorized work outside regularly scheduled work hours can be subject to disciplinary action
Contact Employee Relations & Engagement when...

- An employee works overtime without authorization.
- A supervisor is making special arrangements with employees and not recording all hours worked in official time keeping systems.
- I need assistance balancing demands, budget and overtime rules.
2020 FLSA Update
2019 FLSA Overtime Rule

On September 24, the DOL announced updated regulations to be effective January 1, 2020.

• NEW minimum salary threshold for exemption of $35,568/yr ($1,368/biweekly or $17.10/hr)

• No changes to the duties tests

K-State is in compliance today.
K-State’s Implementation
K-State’s Implementation

• Cabinet approved the adjustment of K-State’s FLSA salary threshold to $35,568

• The effective date for new salary threshold will be at the start of FY 21 for both current employees and new hires.

• HCS has met with Cabinet Members and Deans to share the 2020 FLSA action plan, a dashboard, and key decision points to be made.
Your Role in the Implementation

**Supervisors**
- If you currently supervise a non-exempt employee who may be impacted by the new FLSA threshold, you will be notified by your unit/college leadership.
- If you have not been notified by your Cabinet member or Dean, it is possible that you do not supervise potentially impacted employees.

**HCS Liaisons**
- If there are potentially impacted employees in your department, you may be engaged by your unit/college leadership to assist with FLSA submission processes.

**Employees**
- Not every non-exempt employee will be impacted by the FLSA changes.
- Potentially impacted employees should be included in the position description review.
Action Plan

Step 1: Position Description Review and Submission

Step 2: Duties Test Evaluation and Determination

Step 3: Base Salary Decisions for Impacted Employees

Step 4: Evaluating Pay Equity

Step 5: Submitting Changes for Processing

Step 6: Communication and Training
Step 5: Submitting Changes for Processing

• HCS will provide departments an FLSA Excel spreadsheet.
  – Available when all potentially impacted employees have been reviewed which is no later than May 4.

• Upon receipt of the spreadsheet, departments will be asked to confirm or complete the following:
  – FLSA exemption decisions
  – FLSA-related salary adjustment (ex: salary increase based on historical OT)

• FLSA Excel spreadsheet information due to Compensation & Org Effectiveness by May 11.
Fiscal Year 2021 Budget Update

Budget processes will occur in this order of application:
1. FLSA related changes from spreadsheet (pay type and rate)
2. Below minimum adjustments (automated process)
3. Potential COLA/merit salary adjustments
   – Pending legislative decisions
4. Other salary adjustments
   – Salary Increases for employees entered through the budget pages (if applicable) – merit, promotion, equity, market adjustment, other

Other possible changes effective June 14, 2020:
- Non-FLSA related salary increases for temporary employees – liaison enters via HRIS pay rate change page
- Reclassifications*, promotions, transfers, etc. – require transaction be submitted to HCS

**Employees who change from non-exempt to exempt must be paid for remaining compensatory hour balance as of 6/13/2020.
# FLSA Implementation Timeline

<table>
<thead>
<tr>
<th>Dates</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Jan 20 – Feb 26</td>
<td>Conduct FLSA Consultations with Executive Leadership</td>
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<tr>
<td>Feb 10 – 21</td>
<td>Conduct training for HCS Liaisons and Supervisors</td>
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<tr>
<td>Feb 10 – April 3</td>
<td>FLSA submission window open</td>
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<tr>
<td>May 4</td>
<td>FLSA eligibility determinations made and FLSA spreadsheet provided to units</td>
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<tr>
<td>May 11</td>
<td>FLSA decisions due back to HCS</td>
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<tr>
<td>May 18</td>
<td>Communicate FLSA determinations to employees, supervisors, and appropriate administrators</td>
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<tr>
<td>May 26 – June 12</td>
<td>Conduct training for impacted employees, HCS Liaisons and Supervisors</td>
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Communication, Training, and Resources
Communication & Training

HCS will be partnering with units to communicate FLSA determinations and next steps with impacted employees and supervisors.

– Communication templates

– Conversation guides to discuss determinations

Round 2 FLSA 2020 Training will be designed to assist impacted employees and their supervisors with exemption status changes. The training may include:

• guidance for timekeeping

• paid leave

*Session information coming by April 2020.*
Resources

• Online training: FLSA Basics

• In-Person Training (Supervisory Foundations, Standalone sessions, or by request)

• Human Capital Services Website
  – FLSA & Overtime
  – PageUp FLSA Review User Guide

• PPM 4220: Hours of Work, Overtime, Overtime Pay and Compensatory Time