

Frequently Asked Questions

Effective July 1, 2024 - Fair Labor Standards Act - Revised Rules

Overview - Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

FLSA regulates employment for full-time and part-time employees. The recent changes in the Act will only impact some WIU employees.

[The information presented below is for explanatory purposes only. It is not intended to modify or expand federal or state law. This is based on the information that is currently known. The University reserves the right to supplement or modify the FAQs as circumstances warrant].

What is changing?

The U.S. Department of Labor announced changes to FLSA. Per the final regulations, effective July 1, 2024, the minimum salary threshold for most exempt employees will increase from \$684 per week (\$35,568 annually) to \$844 per week (\$43,888 annually).

What does that mean?

The change has prompted an internal wage and hour audit on all positions currently classified as exempt using the Fair Labor Standards Act salary threshold and standard duties test.

How does this change in FLSA impact me?

Affected employees will become eligible for overtime or compensatory time rather than approved time off.

What is approved time off?

Approved time off currently allows eligible employees the opportunity to report time worked over 7.5 hours per day (37.5 hours per week) and receive time off. Approved time is equal time off for time worked.

What is overtime?

The Department of Labor overtime regulations allow compensation in the form of pay at time-and-a-half for hours worked over 40 hours per week for non-exempt employees. At Western Illinois University, overtime compensation is allowed at time-and-a-half for hours over 37.5 for most non-exempt employees.

What is compensatory time?

The Department of Labor regulations allow compensation in the form of time off with pay at a rate of time-and-a-half for hours worked over 40 hours per week for non-exempt public employees. At Western Illinois University compensatory time is allowed at time off with pay at time-and-a-half over 37.5 hours for most non-exempt employees.

According to the Department of Labor, the maximum compensatory hours most employees can accrue is 240, however at WIU, an employee may not accumulate more than one workweek's equivalent of work hours in compensatory time.

Will I be able to be paid overtime as well as accrue compensatory time?

No. As a public institution, an employee may choose compensatory time instead of the payment of overtime.

Does overtime/compensatory time require approval?

Yes, overtime/compensatory time must be pre-approved by your supervisor.

How will overtime/compensatory time be recorded and tracked?

If you are eligible for overtime or compensatory time, you will record overtime or compensatory time on your timecard as time worked. An "overtime" and "compensatory time" line will be added to your time screen. The timekeeping system will calculate overtime or compensatory time reported as time-and-a-half. The time worked should be recorded on the day(s) the time was actually worked.

Prior approval from your supervisor is required before working hours that will result in overtime or compensatory time.

Are there exceptions to eligibility for overtime or compensatory time?

For the purpose of eligibility for overtime or compensatory time, FLSA allows certain employees to be exempt from the Act. FLSA establishes criteria for employers to use to determine whether a position is non-exempt or exempt.

What employees are considered exempt?

Teachers (including some coaches), executive, administrative, professional employees and academic administrative employees are exempt from the Act. These employees may also need to meet the minimum salary threshold.

What criteria does FLSA use to determine exemption?

Most of these employees must be paid on a salary basis, must meet the salary threshold, and meet the standard duties test as defined by FLSA.

What is the standard duties test?

The standard duties test includes the following:

Executive Exemption

The employee's primary duty must be to manage the enterprise or manage a customarily recognized department or subdivision of the enterprise, paid on a salaried basis, and meet the minimum salary threshold (\$43,888 effective July 1, 2024).

<u>Administrative Exemption</u>

The employee's primary duty must include the exercise of discretion and independent judgment with respect to matters of significance directly related to management or general business operations, paid on a salaried basis, and meet the minimum salary threshold (\$43,888 effective July 1, 2024).

<u>Professional Exemption</u>

The employee's primary duty must be to perform work that either requires advanced knowledge in the field of science or learning or that requires invention, imagination, originality or talent in a recognized field of artistic or creative endeavor, includes "learned professionals", "creative professionals", employees who practice law or medicine, and meet the minimum salary threshold (\$43,888 effective July 1, 2024).

Teachers

The employee's primary duty must be directly related to academic instruction or training and also includes coaches/trainers (whose primary duties include instruction for 51% or greater of their time worked), with no minimum salary threshold.

If I was exempt prior to July 1, 2024 but will no longer be exempt after, will my vacation and sick leave accrual change?

No. Your vacation and sick leave accrual rates will be grandfathered (they will remain the same) as long as you remain in your current position.

If I am no longer exempt, what happens to my accumulated approved time off?

All approved time hours accumulated prior to July 1, 2024, must be used no later than December 20, 2024.

If I am no longer exempt, will my pay schedule change?

Yes. If you are currently paid on a semi-monthly or monthly basis, your pay schedule will be changed to bi-weekly. (<u>Bi-weekly Payroll Schedule</u>)