

UCI FLSA SUPERVISOR/MANAGER FACT SHEET

Compliance with Department of Labor (DOL) Increase in FLSA Exemption Threshold

Reclassification to Non-Exempt Staff Employees Below the DOL Salary Threshold

The Department of Labor (DOL) has issued revised regulations regarding the Fair Labor Standards Act (FLSA) exemptions from minimum wage and overtime pay requirements for executive, administrative, and professional employees. The revisions include increasing the exempt-salary threshold and adding a mechanism that will allow for periodic updating of the salary threshold.

The DOL will implement the salary threshold increase in tiers. Beginning on January 1, 2025, certain part-time and full-time non-teaching and non-patient facing staff employees who are currently exempt from earning overtime will be reclassified as non-exempt because their earnings will fall below the new DOL overtime threshold of \$1,128 per week or \$58,656 per year.

Following the increase in the exemption threshold to \$58,656 on January 1, 2025, the threshold will be set again on July 1, 2027 (and every three years after).

This fact sheet is intended to help you administer payroll and recordkeeping for the non-exempt employees you supervise. If you have further questions, please contact your HR Representative.

1. Beginning 1/1/25, certain exempt employees will be reclassified from being paid on a monthly salaried basis to a biweekly hourly basis.
 - a. These employees will receive their last monthly salaried-basis paycheck on 1/2/25 for work completed between 12/1/24 through 12/31/24.
 - b. They will receive their first biweekly paycheck on 1/15/25 for hours worked between 1/1/25 and 1/4/25.
 - c. Their second biweekly paycheck will be on 1/29/25, covering the period from 1/5/25 through 1/18/25.
 - d. Thereafter, they will be paid every 2 weeks on Wednesday, according to UC's Biweekly Payroll Calendar.

2. FLSA Status Change in UCPath.
 - a. Employees determined to be non-exempt will remain in the same title, but will have a manual override of their FLSA status in UCPath no later than the effective date of the new DOL regulation, January 1, 2025.
 - b. Their current monthly salaried appointments must be ended effective the day prior to the effective date of the new DOL regulation, December 31, 2024.
3. As hourly paid employees, non-exempt employees must record their time daily and submit timesheets to report their hours for each biweekly pay period, and the supervisor will be required to review and approve the hours reported every other week.
4. Non-exempt employees will be paid for all hours recorded.
5. The workweek is defined as Sunday through Saturday.
6. Overtime and time worked beyond appointment percentage.
 - a. Policy Covered employees:
 - i. Part-time employees who work more than their stated appointment percentage, but less than 40 hours in a week, will receive pay for the extra hours (or partial hours) worked at their regular hourly rate.
 - ii. A non-exempt employee will receive pay at 1.5 times their regular hourly rate for any time worked in excess of 40 hours in a week, regardless of their appointment percentage.
 - b. Represented employees: See bargaining unit contract for overtime rules.
 - c. All overtime/additional time worked in excess of appointment percentage must be approved in advance by the supervisor for both policy covered and represented employees.
 - i. If an employee submits a timesheet that reports non-approved time, they still must be paid for that time.
 - ii. Working unapproved overtime/additional time can be cause for disciplinary action. If an employee is regularly working overtime/additional time, please contact your HR Representative to discuss whether the employee's appointment percentage should be adjusted.

7. Other compensable time for non-exempt employees includes:
- a. **Donning and Doffing.** Time spent changing into or out of protective clothing or engaging in special washing or cleaning procedures is considered time worked.
 - b. **Travel Time.** If the employee does not have regular working hours, the supervisor will assign regular work hours for any workweek during which travel will occur for the purpose of identifying and tracking compensable travel time. The travel during the employee's regular working hours is considered time worked. Travel time outside of the assigned regular work hours is not time worked unless actual work is performed during that time.
 - c. **Rest Breaks.** The University provides rest breaks during the work day. Meal breaks are not considered compensable time (i.e., a lunch break should not be recorded as time worked).