

Fair Labor Standards Act (FLSA) Overtime Rule Change

November 22, 2106 Update:

The implementation of the Fair Labor Standards Act Overtime Rule Change was halted by a federal judge.

What is the FLSA?

The Fair Labor Standards Act (FLSA) is a federal law administered by the U.S. Department of Labor, which establishes minimum wage, overtime pay, recordkeeping, and labor standards. Pinellas County Government must comply with the guidelines of the FLSA.

What is the federal overtime rule?

- Employees must receive overtime pay for hours worked over 40 in a workweek at a rate of time and one-half their regular rates of pay, unless they are exempt from the rule (see below).
- For Pinellas County employees, compensation for overtime may be monetary or in compensatory time (time off at a rate of one and one-half hours for each overtime hour worked), at the discretion of the Appointing Authority.

What determines if a job position is exempt from the federal overtime rule?

To qualify for overtime exemption, employees must meet regulatory tests regarding:

- Job duties
- Salary

For example, the job duties test for an executive exemption includes:

- Primary duty must be management
- Must supervise the work of at least two other full-time employees

There are different job duties tests for other exempt positions such as administrative, professional, computer, and outside sales.

What is the FLSA overtime rule change?

There are no changes in the job duties test but the minimum salary threshold for employees in positions exempt from the overtime provisions will increase as of December 1, 2016:

- Current salary threshold: \$455 per week (\$23,660 per year)
- New salary threshold: \$913 per week (\$47,476 per year)

What does this mean for Pinellas County employees?

According to federal law, as of December 1, 2016, any exempt or classified/excluded Pinellas County employee paid under \$47,476 will be eligible for overtime for hours worked beyond a 40-hour work week.

How will employees know if these changes affect them?

Each Appointing Authority will reach out to their impacted employees one-on-one before November 27, 2016, to explain the changes.

How many County employees are affected by this ruling?

There are 189 County employees affected:

- 69 positions below the \$47,476 threshold are directly impacted
- 120 positions within the same job classification are indirectly impacted

What will happen to the 69 positions that are directly impacted?

The Appointing Authorities have worked with Human Resources and the County Attorney's Office to review the possible options:

- Increase the salary above the \$47,476 threshold and keep the position as exempt from the overtime provisions. Positions for which this option is chosen will remain either classified excluded or exempt in the UPS.
- Maintain the same salary but designate the position as eligible for overtime. Positions for which this option is chosen will be designated as classified in the UPS.
- *Only for some UPS exempt class positions under the Clerk of Court and Comptroller:* Maintain the same salary and UPS exempt (non-civil service) status but designate the position as eligible for overtime.

What will happen to employees in the same classification who are indirectly impacted?

- There are 120 exempt positions that do not fall below the \$47,476 threshold but are in the same job classification as an employee whose salary does fall below the threshold.
- To ensure that all employees in a job classification are treated equally with regard to overtime entitlement, ***any changes in exempt status will be applied to all positions within that same job classification*** even if one or more employees in that classification are paid above the minimum salary threshold.
- In the example shown, for the employees in this job classification, no salaries will be changed but all of the employees in the position will be changed from classified/excluded to classified status.

Job Title	Annual Salary
Employee 1	\$38,979.20
Employee 2	\$40,851.20
Employee 3	\$41,329.60
Employee 4	\$43,888.00
Employee 5	\$44,200.00
Employee 6	\$48,380.80
Employee 7	\$53,601.60
Employee 8	\$53,643.20
Employee 9	\$53,705.60

What is the difference between classified/excluded and classified?

- A classified/excluded employee is eligible for overtime or comp time if they work more than 80 hours in a pay period and if the supervisor authorizes the overtime.
- A classified employee is entitled to overtime or comp time if they work more than 40 hours in one week.

Will a change in classification from an exempt status position to a classified status position be considered a demotion?

No. By definition, this is not a demotion. Any exempt position reclassified to the classified service shall be placed within the Classified Pay Plan in a comparable pay range, which has an equal or higher maximum.

Will anyone's paycheck change?

Some may increase but no employees will have a decrease to their base pay. All of the positions affected will be placed in comparable pay ranges in the Classified Pay Plan. These employees will be eligible to receive overtime compensation if they work over 40 hours in a 40-hour work week.

How will this affect benefits for employees moving from an exempt status position to classified status position?

Employees moving from exempt status to classified will:

- Accumulate leave time at a reduced rate
- Have a seven-day waiting period for short-term disability benefits
- May need to pay for long term disability coverage (depending on tenure)

Will there be a probationary period for impacted employees?

No. This realignment will not require a one year probationary period. This realignment of positions is not a voluntary demotion or a return to classified service from exempt service.

When will this take effect?

- The federal law is effective December 1, 2016.
- Pinellas County pay plan changes are effective November 27, 2016.

How can I get more information?

- Contact Employee Relations staff at (727) 464-3506.
- View the Pinellas County [Overtime & Compensatory Time FAQs](#).
- See the Department of Labor FAQs at www.dol.gov/whd/overtime/final2016/faq.htm.
- See the Department of Labor job duties test information at: www.dol.gov/whd/overtime/fs17a_overview.pdf.
- View the [annual leave hours accrual chart](#).