Department of Labor FLSA Overtime Rule Changes: Preparing the UPS

FLSA Exempt Salary Threshold Increased

- Effective December 1, 2016
- Minimum salary threshold for exempt positions raised to $47,476
- Any employee paid under $47,476 will be eligible for overtime

Options for Affected Employees

- Increase salary above $47,476 and keep exempt status (no overtime)
- Keep current salary, reclassify as non-exempt, and pay overtime

Positions Below $47,476 Threshold

Appointing Authority	Exempt	Classified/Excluded	Total
BCC	3	33	36
CCC	4	20	24
TCO	4	8	12
BTS	3	0	3
SOE	0	2	2
TOTAL	14	63	77

Be Consistent Within Job Classification

- Currently some are paid above and some are paid below the $47,476 threshold
- Recommendation: Treat all employees within the same job classification equally

Example:

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

New Salary Threshold: $47,476

Job Title	Annual Salary
Employee 6	$48,380.80
Employee 7	$53,601.60
Employee 8	$53,643.20
Employee 9	$53,705.60
Employee 10	$57,283.20
Employee 11	$60,860.80
Employee 12	$60,860.80
Employee 13	$60,860.80
Employee 14	$60,860.80

Affected Classifications

	Classifications	Positions
Classified/Excluded	23	154
Exempt	10	35
TOTAL	33	189

Actions Taken

- Individual consultations with the Appointing Authorities affected (BCC, CCC, TCO, BTS, SOE)
- Appointing Authorities Workshop on September 23
- Communication Plan
  - UPS-wide
  - Affected employees
  - Affected supervisors

Pending Changes (effective 11/27/16)

12 classifications moving from classified/excluded to classified

2 to 5 classifications moving from exempt to classified

- Not a demotion
- Placed in comparable pay range with an equal or higher maximum
- Will not require a one year probationary period

These actions will be reflected on the Human Resources Delegated Authority report to the Board in December.

Questions?