

Dear HR Level 3 Agents and HR Agent Backups,

Building on the recent HR Forum discussion, we're providing a follow-up on the Fair Labor Standards Act (FLSA) changes. As you know, the Department of Labor (DOL) implemented a two-part rule change that adjusts salary thresholds for overtime exemptions.

The first change, which was effective on July 1, 2024, set a new weekly salary threshold at \$844 (\$43,888 annually). While this change had minimal impact on UNM, it's important to note that **Part 2** of these adjustments are scheduled to take place **January 1, 2025**.

As the HR Agent, your role is crucial in implementing the upcoming changes. HR will guide you through these changes and will provide you with information to share with your department leadership and affected stakeholders throughout this process.

What you need to know:

- **Part 2:** The weekly salary threshold will further increase to \$1,128 per week / \$58,656 annually. This change is expected to impact a greater number of employees, resulting in many being reclassified from exempt to non-exempt status, thereby increasing the number of employees eligible for overtime pay.
- **Impact:**
 - Exempt employees in grades 12 and below will transition to non-exempt.
 - Grades 13 and above will meet the salary threshold, therefore remain exempt, unless they are already classified as non-exempt.
- In mid-October, you will receive a detailed communication outlining the specific employees in your area who will transition to non-exempt status. Additionally, a cost estimate will be provided for bringing employees in grades 13 and above to the new salary threshold. This communication will include resources and guidance to help you and your managers navigate the transition and support your employees.
- A dedicated [FLSA webpage](#) is now available where training materials, prior communications, FAQ's, and other relevant information will be maintained. Please check this page regularly, as it will be updated with new information as it becomes available.
- **Please note** that the January 1, 2025, ruling is still **subject to change**. HR is closely monitoring for updates and will share any significant developments as soon as they arise.

Thank you for your attention to this matter and your support in preparing your departments for the upcoming changes. UNM Human Resources remains committed to supporting your department's transition. Should you have any immediate questions, feel free to reach out to the HR Compensation Team at Comp@unm.edu.

Best regards,

HR Compensation Team

