

# What to Expect: Transitioning to Non-Exempt Status

This guide provides an overview what employees can expect during the transition from exempt to non-exempt status, effective January 1, 2025.

	Exempt (Current)	Non-Exempt (Beginning Jan. 1, 2025)
<b>Pay</b>		
Pay Method	<ul style="list-style-type: none"> <li>• Paid a monthly salary</li> <li>• Pay remains the same regardless of hours worked beyond a typical workweek</li> </ul>	<ul style="list-style-type: none"> <li>• Paid an hourly rate</li> <li>• Paid for all hours worked, including overtime for hours worked in excess of 40 per workweek</li> </ul>
Pay Cycle	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Paid on last working day of the month</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-Weekly</li> <li>• Paid every other Friday, a week after the pay period ends</li> <li>• UNM's workweek begins on Saturday and ends on Friday</li> </ul>
Paychecks Per Year		<ul style="list-style-type: none"> <li>• 26 paychecks (2 per month)</li> <li>• Twice a year there are 3 paychecks in a month—no voluntary deductions are taken on the third paycheck</li> <li>• In 2025, January deductions will be taken from the Jan. 17 and Jan. 31 paychecks</li> </ul>
<b>Other Paid Time and Work Schedule Consideration</b>		
Overtime	Not eligible for overtime compensation	<ul style="list-style-type: none"> <li>• Eligible for overtime for hours worked in excess of 40 hours/workweek</li> <li>• Overtime is paid at 1-1/2 times the hourly pay rate</li> <li>• With written agreement, may be granted compensatory time in lieu of overtime</li> </ul>
Holiday Time Worked	<ul style="list-style-type: none"> <li>• Receive their regular pay rate</li> <li>• Receive another day for a holiday worked</li> </ul>	<ul style="list-style-type: none"> <li>• Paid at 1-1/2 times regular hourly rate</li> <li>• Receive time off in lieu of holiday</li> </ul>
Travel Time	Not eligible for additional pay for required travel time during regular work hours on non-workdays.	Under certain circumstances, required travel time for work during regular work hours on non-workdays is considered paid time ( <a href="#">see UAP 3300, Section 10</a> ).
Flexible Schedules	Eligible for flexible schedules, are expected to work the hours necessary to satisfy the responsibilities of the position on a schedule that meets the needs of the department.	<ul style="list-style-type: none"> <li>• Eligible for flexible schedules</li> <li>• Flexible schedules should occur within the UNM workweek (Saturday - Friday) to ensure accurate application of overtime</li> </ul>

Remote Work Agreements	Eligible for remote work agreements	<ul style="list-style-type: none"> <li>Eligible for in-state remote work agreements</li> <li>Existing out-of-state remote work agreements will be granted policy exceptions pursuant to <a href="#">UAP 3245: Remote Work</a>.</li> </ul>
<b>Paid Time Off Accruals</b>		
Annual Leave	<ul style="list-style-type: none"> <li>Accrue annual leave at rate of 14 hours/month (168/yr)</li> <li>Accrual rate pro-rated based on an employee's appointment percent (FTE)</li> </ul>	<ul style="list-style-type: none"> <li>Accrue annual leave up to a maximum of 6.47 hours/pay period (168/yr)</li> <li>Accrual rate pro-rated based on hours worked not to exceed a maximum of 6.47 hours/pay period</li> </ul>
Sick Leave	<ul style="list-style-type: none"> <li>Accrue sick leave at a rate of 8 hours/month (96/yr)</li> <li>Accrual pro-rated based on an employee's appointment percent (FTE)</li> </ul>	<ul style="list-style-type: none"> <li>Accrue sick leave up to a maximum of 3.7 hours/pay period (96/yr)</li> <li>Accrual pro-rated based on hours worked not to exceed 3.7 hours/pay period</li> </ul>
<b>Benefits</b>		
Insurance (Medical, Dental, Vision, Life Insurance, etc)	Deducted from every paycheck	<ul style="list-style-type: none"> <li>Deducted from 24 paychecks</li> <li>See the HR Benefits website for rate information: <ul style="list-style-type: none"> <li><a href="#">Medical Rates</a></li> <li><a href="#">Dental Rates</a></li> <li><a href="#">Vision Rates</a></li> </ul> </li> </ul>
FSA Healthcare; FSA Dependent Care	Deducted from every paycheck	<ul style="list-style-type: none"> <li>Deducted from 24 paychecks</li> <li>Bi-weekly rate will be half of monthly deduction based the annual FSA election</li> </ul>
ERB	Deducted from every paycheck	<ul style="list-style-type: none"> <li>Deducted from every paycheck</li> </ul>
Voluntary Retirement 403(b) & 457(b)	Deducted from every paycheck	<ul style="list-style-type: none"> <li>Deducted from 24 paychecks</li> <li>Employees should review/adjust their voluntary retirement contributions (403b, 457b) to via <a href="#">Retirement@Work</a> prior to January 9, 2024.</li> </ul>
<b>Other Deductions</b>		
Federal Income Tax, State Income Tax, FICA, Medicare	Deducted from every paycheck	Deducted from every paycheck
Parking Permit	Deducted from every paycheck	Deducted from 24 paychecks
United Way Contributions	Deducted from every paycheck	Deducted from 24 paychecks