



UNM's Response to FLSA Threshold Change

Executive Cabinet: October 28, 2019

About

The Fair Labor Standards Act (FLSA) is a federal law administered by the Department of Labor (DOL). It provides a range of protections to employees, including provisions that ensure workers receive additional compensation when required to work long hours. Specifically, the FLSA governs overtime provisions, which ensure employees receive pay at a rate no less than time-and-a-half for all time worked in excess of 40 hours in a defined work week.

However, the FLSA recognizes that some positions warrant exemption from the overtime provisions outlined under the law. These positions are referred to as "exempt" and do not receive overtime pay. In order for a position to be classified as exempt, employers must demonstrate that employees perform specific job duties and receive pay above a set threshold.

Upcoming Changes

Currently, the salary threshold for exemption status is \$23,660 per year (\$455 per week). On September 24, 2019, the DOL announced a final ruling to increase the salary threshold to \$35,568 per year (\$684 per week), effective January 1, 2020.

	Current	Finalized
Weekly Threshold	\$455	\$684
Annual Threshold	\$23,660	\$35,568

Impact to UNM

- Effective November 23, 2019
 - Exempt positions in **grades 8-10** will move to non-exempt, unless qualifying for a special exemption under the law (e.g. Teacher, Early Childhood, Grade 8)
 - **Part-time, exempt positions** falling below the threshold will move to non-exempt

- Effective November 1, 2019
 - New grade minimum salary for all **grades 11-12** will increase to minimize compression
 - Individuals falling below new grade minimums will receive salary increases to meet minimums, per UAP 3500: Wage and Salary Administration
 - Updated salary structures are published to <https://hr.unm.edu/unm-staff-salary-structure>

Project Status

HR Agents within Level 3 organizations have received a comprehensive list of impacted employees. HR Consultants are conducting direct conversations with employees moving to non-exempt status and their respective supervisors, to be completed by November 1, 2019. Official notifications for all impacted employees to be sent to HR Agents for dissemination by November 18, 2019.