



FLSA-Based Annual Leave Payout Option Instructions

About

In response to the [upcoming changes to the FLSA salary threshold](#), your position will change from exempt to non-exempt status, effective November 23, 2019. Although your salary will remain the same, you will move from one type of pay cycle to another. Currently, you are paid 12 paychecks per year. As a non-exempt employee, you will receive 26 paychecks per year.

As an exempt employee, you receive pay immediately at the end of the pay period. As a non-exempt employee, you will move to a delayed pay cycle, which results in a one-week lag time between the end of the pay period and the time pay is received. You will eventually receive payment for this lag time if you return to an exempt-status position or upon separation from the University.

Annual Leave Payout Option

The University acknowledges that this delay will have a financial impact on employees. For this reason, UNM will grant a one-time exception to [UAP 3400: Annual Leave](#) in an effort to alleviate the potential of a financial burden for employees impacted by the January 1, 2020 FLSA change. Employees moving from exempt to non-exempt status have the option of cashing out their accrued annual leave to account for the one-week lag time in pay, as outlined below:

- Employees may cash out up to one week of leave, pro-rated by your full-time equivalency (FTE) level. If you are a full-time employee, this means you may cash out up to 40 hours of leave. If you are part-time employee, you may cash out a pro-rated amount based on your FTE level. For example, a 50% FTE employee may cash out up to 20 hours of leave.
- Employees are responsible for ensuring that they have adequate leave balances. You may not cash out more leave than you have accrued. When evaluating your available leave balances, ensure you account for leave taken in October and November.
- It's important to note that if you elect to use this option, your leave will be paid out to you in lieu of taking the time off.
- Employees may not cash out sick leave, catastrophic leave, or any other leave type.
- Your leave payout will be subject to supplemental tax withholding.
- Employees are not required to cash out leave. You may cash out less leave than allotted, if desired.

Request process

- Complete the enclosed request form and submit directly to Payroll **no later than Wednesday, November 20, 2019**. Requests received after the deadline will not be considered.
- Employees can anticipate that the annual leave cash out will be paid in the November 29th paycheck.
- Note that your department timekeeper does not need to submit any additional paperwork or report anything differently on your timecard in order to receive the payout.

If you have questions or concerns, contact Payroll at pay@unm.edu or 505-277-2353.