Soon, many more UA employees and postdoctoral researchers will become eligible for overtime pay or compensatory time. Starting on Dec. 1, the minimum salary threshold for individuals to be exempt from overtime pay will increase from $455 per week, or approximately $23,660 annually, to $913 per week, or approximately $47,476 annually. The change will affect roughly 2,500 UA employees.

"This new rule will require supervisors at the University to thoughtfully consider employees' responsibilities and the time it takes to complete them," said Helena Rodrigues, assistant vice president for human resources. "We've been engaged in many conversations about employee salaries and our compensation philosophy, and these new federal rules will play a major role in how we approach these conversations going forward."

Last week, the United States Department of Labor announced a number of regulatory changes to the Fair Labor Standards Act, or FLSA, updating overtime protection for employees who exceed 40 hours in a workweek. The new rule is expected to extend overtime protections to 4.2 million more Americans who are not currently eligible under federal law, and it is expected to boost wages for workers by $12 billion over the next 10 years.

"These are the most substantive changes to overtime compensation we've seen in more than a decade," Rodrigues said. "There isn't a catch-all solution for these issues, and there are many variables at play, but this will go a long way toward making sure our University is offering appropriate salaries for the work of our employees."

The minimum salary threshold will be automatically updated every three years to remain at the 40th percentile of the overall labor market.

The previous threshold of $455 per week was established in 2004. It hasn't been increased to adjust for inflation or address the realities of the labor market in the 12 years since. Under this new rule, many postdoctoral researchers will now be eligible for overtime pay, as the average annual pay for a postdoctoral researcher [1] is currently estimated to be about $45,000.

"We are a research-driven institution and our postdoctoral researchers are a key component of our workforce," Rodrigues said. "Their work from week to week does not always fall within a predictable, scheduled period of time and it isn't a culture that traditionally reports hours, so we're in the process of figuring out ways to ensure these people are appropriately compensated for their work."

Faculty members whose duties consist primarily of teaching will remain in an exempt status under the FLSA, as will attorneys and physicians. The new regulations may allow some exemptions for coaches, athletic trainers [2] and "academic administrative personnel" who...
provide instruction or interact with students outside of the classroom.

At the UA, most employees whose average weekly earnings are less than $913 per week at the time of implementation, based on either full-time or part-time equivalency, will be automatically converted to non-exempt, hourly employees. Those employees must then begin to track and positively report all hours worked.

If hours worked exceed 40 in a week, overtime or compensatory time must be earned.

Appointed personnel who become non-exempt under the new regulations will remain appointed and receive a revised notice of appointment with an hourly rate of pay.

An FLSA Task Force composed of members from Human Resources, the Office of the General Counsel, the Office of the Provost, the Financial Services Office, Payroll, Systems Control and the Budget Office has been meeting for several weeks and will partner with University departments to implement these new requirements.

"I encourage everyone with questions about these new rules to raise them with their departments and with HR," Rodrigues said. "We're engaging with all of the stakeholder groups throughout the campus to provide the most accurate, updated information possible."

Employees can expect further communications through a multitude of channels, including live training, Q&A sessions, emails and updates to the FLSA implementation website, which is currently under development. In the meantime, UA staff and faculty can direct questions to designated HR consultants, or email questions to hrsolutions@email.arizona.edu.

Source URL: https://uaatwork.arizona.edu/lqp/more-ua-employees-be-eligible-overtime-pay

Links:
[3] mailto:hrsolutions@email.arizona.edu