



Human Resources

FLSA

Pending Updates to FLSA and the Impact to UArizona



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Federal Labor Standards Act

What is it and what does it mean to university jobs?

- The Fair Labor Standards Act (FLSA) is a federal labor law enacted in the United States in 1938. It establishes and regulates various labor standards and protections for employees, primarily aimed at ensuring fair wages and working conditions.
- It also mandates overtime pay for eligible workers who work more than 40 hours in a workweek, requiring employers to pay them at a rate of at least one and a half times their regular hourly wage for each hour worked beyond the standard 40 hours.
- In addition to the requirement of meeting certain salary thresholds, employees must also satisfy specific "duties tests" to be classified as exempt from overtime pay. These tests help determine whether an employee's job duties primarily involve executive, administrative, professional, computer-related, or outside sales activities, thus making them exempt from overtime pay.



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Proposed FLSA Updates Currently Pending

Proposed new Salary threshold - \$55,068

Comment period current end date 11/7/23

Anticipated implementation would be June of 2024

What impact will this have?

University Analysis

Currently, a little over 1,400 employees will be affected by this change.

At the time of implementation, the threshold could see a higher proposal.

If trends continue, the threshold could be closer to \$60,000



Proposed Threshold	# University Staff	# Other employment categories
\$55,068	1341	109



Recommendations

Breaking the myth of Non-Exempt vs Exempt

- Educate Supervisors on FLSA and proper time record keeping for non-exempt staff.
- Ensure your areas have a process to accurately record time.
- Prepare budgets in mind with those who are currently exempt and sitting close to the \$60,000 projected threshold.



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