

# The University of South Carolina

## FLSA Implementation Plan

Due to the University-wide implications of the recent changes to the Fair Labor Standards Act, the Salary Administration Office has developed the following implementation plan for HR Contacts. This plan includes a listing of tasks that will be required to be completed by the department/college, tasks that Salary Administration will complete on their behalf, and an approximate timeline. Salary Administration will utilize the Human Resources Drop Box to send data to the departments/colleges. **It will be the responsibility of the Human Resources Drop Box Contacts to ensure the information is disseminated to the appropriate employees for review.** Please follow this implementation plan step by step as these items are of critical importance to ensure compliance with the new FLSA requirements.

### 1. The Official Spreadsheet of Affected Employees

A spreadsheet containing the list of all employees in FTE, research grant (RGP), time limited (TL) and temporary positions who are currently considered to be exempt and do not meet the new salary threshold of \$47,476 per year or \$913 per week will be placed in your drop box by the **end of October**. We will send an email to alert you when it is available. The spreadsheet will not include any employees that you have indicated should remain exempt based on what has previously been sent to Salary Administration. For any employees that you feel should remain exempt, please note in the column "Continue Exempt Status" and the reasoning in the column labeled "Reason for Exemption." For example, if a coaching position meets the "teacher" exemption, please note the position should remain exempt by entering a "Y" for "Yes" in the "Continue Exempt Status" column and entering "Teacher" in the "Reason for Exemption" column. Salary Administration will review any positions that you recommend should remain exempt to ensure it meets the necessary criteria, and reserves the

right to change the FLSA exemption status to non-exempt, if necessary. This spreadsheet will serve as an official listing of affected employees for you to use to document various actions that are outlined in the items below.

## **2. Academic Administrative Personnel Exemption**

The new FLSA requirements outline the Academic Administrative Personnel exemption to provide that the primary duty of the job must consist of “administrative functions directly related to academic instruction or training” such as academic counselors or advisors, intervention specialists and others with similar responsibilities. If any employees meet the Academic Administrative Personnel exemption requirements, then a different salary threshold of \$41,300 or \$795 per week must be met to comply with the salary test of the exempt status. This salary threshold may likely be adjusted annually to comply with the new FLSA regulations. By **November 18, 2016**, HR Contacts must let Salary Administration know if any of the employees on the official spreadsheet meet this exemption and therefore should remain in exempt status. For any employees that meet the academic administrative personnel exemption, please enter a “Y” in the column labeled “Continue Exempt Status” and the reason “Academic Administrative Personnel” in the column labeled “Reason for Exemption”. Salary Administration will review any positions that you recommend should remain exempt to ensure it meets the necessary criteria, and reserves the right to change the FLSA exemption status to non-exempt, if necessary. Once completed, the official spreadsheet including any exemption noted in section 1 and 2 of this plan must be returned to Salary Administration by **November 18, 2016** by emailing the spreadsheet to [ogorekb@mailbox.sc.edu](mailto:ogorekb@mailbox.sc.edu) and [tylerrj@mailbox.sc.edu](mailto:tylerrj@mailbox.sc.edu).

## **3. Employee Acknowledgement Form Requirement**

It is the goal of USC to ensure communication of these FLSA changes to all affected employees. In order to do this, each affected employee and supervisor will be required to sign a document indicating that this information has been received. To facilitate this communication, Employee Acknowledgement forms and a “Good to Know” information sheet will be placed in the Human Resources Drop Box with the official spreadsheet of affected employees by end of October. Each Employee Acknowledgement form will have the employee’s name already listed on the form and both the employee and supervisor will be required to sign it. For the employees who will become non-exempt, you will need to print these pre-prepared acknowledgement forms and make copies of the “Good to Know” document so that this can be given directly to the affected employees. For the employees who have been recommended to remain exempt, you do not need to print or have the employee/supervisor sign the acknowledgement. If Salary Administration disagrees with the decision to have the employee remain exempt, you will be notified and required to have an acknowledgement signed at that time. Please use the official spreadsheet of employees to document that each affected employee has been provided the communication and signed the acknowledgement form by entering a “Y” for “Yes” in the “Employee Acknowledgement” column on the spreadsheet. HR Contacts must return the completed official spreadsheet and copies of the signed Employee Acknowledgement forms to Salary Administration by **November 30, 2016** by emailing them to [ogorekb@mailbox.sc.edu](mailto:ogorekb@mailbox.sc.edu) and [tylerrj@mailbox.sc.edu](mailto:tylerrj@mailbox.sc.edu). Copies of the signed Employee Acknowledgement forms will be placed in the employee personnel files.

#### **4. Process to Change the FLSA Status for FTE, RGP, and TL Employees in PBP**

For employees in FTE, RGP, and TL positions, Salary Administration will be responsible for the creation of the PBP 4/5 to change the FLSA status from exempt to non-exempt in the PBP system. **HR Contacts do not need to create or submit a PBP 4/5 to change the FLSA** as they normally would. Salary

Administration will change the FLSA status of the affected employees on **November 28, 2016**. With the FLSA change occurring at this time, **it is imperative that no other salary actions for these affected employees be submitted for the pay period of December 1, 2016 through December 15, 2016. Again, no other salary transactions can be made effective for the pay period coincident with the FLSA change for affected employees.**

#### **5. Process to Change the FLSA Status for Salaried Temporary Employees in PBP**

Salaried, exempt temporary employees (not including practicing physicians, attorneys or teachers) who do not meet the salary threshold of \$47,476 per year or \$913 per week, or the academic administrative salary threshold of \$41,300 or \$795 per week, must be changed to non-exempt. Due to system limitations, salaried temporaries must be separated and re-hired into the system to affect this change. Salary Administration will create the PBP-7 to separate these salaried temporary employees with an effective date of November 30, 2016. **HR Contacts do not need to create or submit a PBP-7 to separate these employees.** However, because the salaried temporary employees are required to be hourly, **HR Contacts will need to submit a PBP-2-TR (see attached Sample 1 – highlighted sections to be completed) ONLY to re-hire the employee no later than November 18, 2016.** Please complete the appropriate information on the PBP-2-TR to facilitate this re-hire process as necessary. The completed PBP-7 for the salaried temporary employees will be placed in the Human Resources Drop Box after the October 1 payroll has been closed.

#### **6. Dual Employment for FTE Employees and Additional Compensation (Multiple positions) for RGP and TL Employees**

Many departments/colleges have employees in FTE positions who are dually employed in another position within USC and/or employees in RGP and TL positions who are earning additional compensation for holding another RGP or TL position within USC. Under the new FLSA requirements,

if the primary position of the employee in FTE, RGP, or TL position is non-exempt, then the secondary position will be non-exempt as well. By **the end of October**, Salary Administration will place in the Human Resources Drop Box of the secondary position's home department, a listing of employees who occupy secondary positions and who will need to be non-exempt in that position.

Due to system limitations, employees in both dual employment and additional compensation circumstances must be separated and re-hired in the system. Salary Administration will create the PBP-7 to separate the dual/ multiple positions with an effective date of November 30, 2016. **HR Contacts do not need to create the PBP-7 to separate the dual/multiple positions.** Because the dual/multiple secondary positions will be hourly, **HR Contacts must submit a PBP-2 (see Sample 2 – highlighted sections to be completed) ONLY to re-hire the employee by November 18, 2016.** Please complete the appropriate information on the PBP-2 to facilitate this re-hire process as necessary. Also, please remember that non-exempt employees who work in secondary positions at the University must be paid at a time and a half rate of the current hourly rate. The completed PBP-7 for the salaried temporary employees will be placed in the Human Resources Drop Box after the November 30 payroll has been closed.

## **7. Salary Increases to Threshold**

Employees who make between \$45,000 and \$47,475 may have their salaries increased to \$47,476 by completing and submitting a PBP 4/5 for a special pay increase to Salary Administration **no later than November 18, 2016.** Employees who are covered by the academic administrative personnel exemption and make between \$39,150 and \$41,299 may have their salaries increased to \$41,300 by completing and submitting a PBP 4/5 for a special pay increase to Salary Administration **no later than November 18, 2016.** In the justification for either, please state the reason is to increase to the FLSA threshold.

## **8. Finalized Spreadsheet with FLSA Changes**

After the December 15, 2016 payroll has closed, a finalized spreadsheet of employees who were changed from exempt to non-exempt will be placed in the Human Resources Drop Box. It will be each department/college's responsibility to review the spreadsheet and ensure it is correct. Should there be any discrepancy, please contact Salary Administration at 777-3111 or email [ogorekb@mailbox.sc.edu](mailto:ogorekb@mailbox.sc.edu) and [tylerrj@mailbox.sc.edu](mailto:tylerrj@mailbox.sc.edu).

## **9. ITAMS Actions for Employees Changing from Exempt to Nonexempt**

Timesheets for affected exempt employees undergoing a transition to nonexempt status effective December 1, 2016 should have their November 30, 2016 timesheets submitted and approved by **November 23, 2016**. In addition, please make sure that any outstanding timesheets prior to this period are also submitted and approved.

Timesheets for the new nonexempt positions will be viewable in ITAMS on Thursday, December 1, 2016. However, due to necessary system maintenance, we ask that employees do not enter time for the week ending December 3, 2016 until the following Monday, December 5, 2016. Should you have questions concerning ITAMS, please contact Payroll at 777-4227.