CHANGES TO OVERTIME RULES
OVERVIEW

• Overtime rules are enforced by the US Department of Labor

• 2004 regulations established a minimum salary threshold of $23,660 per year that must be met for overtime exemption

• The 2004 salary threshold is now below the poverty line for a family of four
THE CHANGES

• Raising the salary threshold to $47,476

• Increasing the salary threshold automatically every three years

• Raising the salary level for highly compensated employees from $100,000 to $134,004 annually
HOW DOES THE NEW RULE AFFECT INSTITUTIONS OF HIGHER EDUCATION?
HIGHER EDUCATION DOL GUIDANCE: WHO REMAINS EXEMPT FROM OVERTIME?

• Teachers and Faculty

• Many Graduate Student Workers

• Specific Academic Administrative Personnel

*The exemption rules based on duties have not changed.
HOW WILL THIS NEW RULE IMPACT EMPLOYEES WHO ARE CURRENTLY EXEMPT FROM OVERTIME AND EARN LESS THAN $47,476?
HOW MANY EMPLOYEES ARE EXPECTED TO BE AFFECTED BY THE NEW RULE ON THE Health Sciences Center CAMPUS?
WHAT SHOULD MANAGERS EXPECT?

1. Address any perceived loss of status
2. Team dynamics
3. Manage time
WHAT SHOULD MANAGERS EXPECT?

1. Address any perceived loss of status
   - Federal, nationwide shift
   - Job duties can remain same
   - Now track time & get paid for all the work they do

2. Team dynamics

3. Manage time
WHAT SHOULD MANAGERS EXPECT?

1. Address any perceived loss of status
   - Federal, nationwide shift
   - Job duties can remain same
   - Employees track time & get paid for all the work they do

2. Team dynamics
   - Consider limiting meeting & collaboration times to during the workday
   - After hours work activity is payable

3. Manage time
WHAT SHOULD MANAGERS EXPECT?

1. Address any perceived loss of status
   - Federal, nationwide shift
   - Job duties can remain same
   - Employees track time & get paid for all the work they do

2. Team dynamics
   - Consider limiting meeting & collaboration times to during the workday
   - After hours work activity is payable

3. Manage time
   - Alternate schedules must be adjusted in a single work week
   - Travel pay for hourly employees ➔ Fact Sheet coming from HR
HOW WILL THIS NEW RULE AFFECT PAYROLL FOR TRANSITIONING EMPLOYEES?
Track Time

- Ensure that employees are paid for all the time they work
- Record time worked in TAL beginning November 27, 2016
- Review procedures with employees

Reminders
- Work week is Sun-Sat
- Comp time can be used instead of OT
  - Make sure comp time agreement signed
WHAT CAN MANAGERS DO NOW TO PREPARE?
How to Prepare

1. Determine who will be affected.
2. Identify salaries on the borderline.
3. Track hours now to forecast overtime.
4. Evaluate overtime impact of long workdays and travel.

Questions? Contact HR: ohr@ou.edu.
ADDITIONAL RESOURCES

- Department of Labor’s webpage: http://www.dol.gov/featured/overtime/
- Learn more about the overtime rules on the Human Resources website: http://hr.ou.edu/News/Overtime-Update
- Send HR your questions: ohr@ou.edu
- HR is preparing job aids, FAQs, and more workshops to assist employees and managers.
Thank you for attending!

This short HR webinar has concluded.

Questions? Contact HR: ohr@ou.edu.