OU DEPARTMENTS

have some decisions to make about labor costs and managing employee work time. The 101% increase in the exempt salary threshold level may strain your resources and force you to make tough choices. This chart can help you find an answer.

First, create a worksheet of all employees who are currently exempt and fall below the new $47,476 threshold. HR can provide salary information and help you get started. Contact us at ohr@ou.edu.

YOUR WORKSHEET SHOULD INCLUDE THE FOLLOWING:

a. Job Title
b. Salary
c. Hourly rate (salary divided by 2,080 hours)
d. Actual or estimate of typical hours worked during a workweek
e. Create a column showing their amount below the threshold ($47,476 minus their salary)
f. Create a column showing number of hours the employee typically works over 40 in a workweek. (If the employee works less than 40 hours, enter 0)

NOW YOU HAVE SOME DECISIONS TO MAKE:

CAN YOUR DEPARTMENT SUPPORT AN INCREASE IN LABOR COSTS?

YES
- Adjust salary level to new threshold and maintain exemption
- Reclassify to nonexempt
- No decrease in hours worked, overtime or comp time after 40 hours

NO
- Reclassify to nonexempt
- Limit hours to 40/week, increase productivity of staff
- Redistribute workloads, adjust schedules or spread work hours
- Change staffing levels to offset costs