Talking Points for Managers – New Overtime Rules

The following talking points may help when you’re having discussions with staff who are affected by the updated federal overtime rules. Please pay special attention to the employee deadline in #3. Human Resources is here to help. Email us at ohr@ou.edu.

1. Explain the Updated Federal Rules about Overtime Eligibility
   • These are federal rule changes from the U.S. Department of Labor.
   • Employees who earn less than $47,476 each year will now be paid for every hour they work, including overtime. This affects 5 million employees across the country and over 1000 on OU’s Norman campus.
   • They will track their hours instead of being salaried, using the time tracking method provided by their OU department.
   • More information is on the HR website http://hr.ou.edu.

2. Changes in Pay Schedule
   On the Norman campus, affected employees will be moved from the monthly payday calendar to the biweekly pay schedule starting October 1. The federal regulation requires that this be completed by December 1. In Norman, we’re doing this early so that the transition does not interrupt how employees are paid around the holidays. [Give employee the Payday Transition Calendar.]
   • The employee’s last monthly paycheck will be September 30.
   • They’ll be paid on October 28 for hours worked 10/1-10/14. Then paid every other Friday for two weeks of work.
   • They can estimate their biweekly paycheck amount: Current monthly pay x 12 / 26 = approximate biweekly pay
   • Leave will now be accrued based on hours worked and will be earned biweekly. Annual amount remains unchanged.
   • There are no changes in their benefits eligibility.
   • Benefits deductions – see the HR website.

3. PTO Payout Option – DEADLINE Aug 26
   To help bridge the gap in the payroll transition described above, departments may offer a pay out of up to 80 hours of paid leave – 8 hours of which will be automatically calculated by Payroll as Administrative Leave. The remaining hours requested by the employee, up to 72 hours, will be counted against the employee’s Paid Time Off (PTO) balance. Employees must submit the PTO Selection Form to their supervisors by Aug 26 whether or not they are selecting the option. [Give employee the PTO Payout Selection Form.]

4. Changes in How and When Work is Done
   • This law benefits employees, who will now get compensated for every hour they work, including time and a half if they work more than 40 hrs/week. If they don’t work quite as much, their work/life balance may improve with more time away from work.
   • This is not a demotion. Job duties can remain the same, though supervisors may change how and when work is completed to manage overtime costs.
   • Managers should discuss their rules about emails, calls, texts, meetings, and working from home outside of work hours.
   • Supervisors must authorize overtime before the work is done. Supervisors may adjust an employee’s work schedule within a workweek in which the employee may be on track for overtime asking the employee to arrive late or leave early to keep their work time within 40 hours.
   • Employees cannot volunteer to work. All work must be paid.
   • Managers should review the rules for tracking travel time with employees who travel (see HR website.)
   • Managers should explain how hourly time is tracked in their department.
   • Managers may discuss compensatory time (additional time off earned at 1.5 hours per hour worked over 40) vs. overtime, if comp time is available in their department. If the employee agrees to comp time instead of overtime pay, they must sign the Comp Time Agreement.

5. Benefits of a Biweekly Pay Schedule
   • Employees will be paid more often and on a predictable schedule (exactly every two weeks).
   • Employees won’t wait so long between checks around the Winter Break.
   • Getting 26 paychecks instead of 12 can help with personal budgeting.
   • “Benefits Holidays” – In a month that has 3 checks, the 3rd check is usually bigger because most benefits aren’t deducted.

6. Employees Can Prepare for the Transition
   • Review the HR website: http://hr.ou.edu.
   • Identify which bills are due between the paychecks on 10/28 and 11/11. A letter to creditors that explains the payday change is available on the HR website, if needed to move due dates.
   • Attend a free Personal Budgeting Workshop on August 17 to help plan for transition. Employees may also call the Magellan Employee Assistance Program at (800) 327-2513 for free, confidential financial counseling.