

2024 Fair Labor Standards Act (FLSA) Changes

Guide for Managers and
Supervisors



A Brief Guide to the Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) determines whether a position is eligible for overtime pay. An “exempt” position is not eligible for overtime pay. A “non-exempt” position is eligible and must receive overtime pay at time-and-one-half for any hours worked above 40 hours in one workweek. The workweek for Andrews University is the calendar week.

Three Tests: Salary Basis, Duties, and Salary Level

A position may be considered exempt under the FLSA if it meets three tests.

1. Employee must be paid on a salary basis, not an hourly basis
2. Duties must meet criteria for executive, professional, administrative, computer, or outside sales activities
3. Compensation rate must be at least \$844 per week (\$43,888 annualized), effective July 1, 2024 and \$1,128 per week (\$58,656 annualized), effective January 1, 2025

If anyone of the three tests is not met, the employee must be classified as non-exempt and eligible for

What Counts Towards Overtime?

Only time worked is counted toward the 40 hours per week required for overtime pay for non-exempt (hourly) employees. Paid time off such as vacation, holiday, sick, jury duty, funeral leave does not count toward the 40 hours per week of time worked that is required for overtime pay.

Comparing Exempt and Non-Exempt FLSA Status

| | NON-EXEMPT | EXEMPT |
|---|--|--|
| Reporting work time | Report all hours worked | Do not report hours worked |
| Reporting paid time off | Report on biweekly time sheet personal vacation, holiday, short & long-term sick time, jury duty & funeral leave | Report on monthly leave report: vacation No reporting for other paid time off |
| Vacation accrual (based on service years/work experience) | <ul style="list-style-type: none"> x First 4 years: 2 weeks x After 4 years - 9 years: 3 weeks x After 9 years: 4 weeks | |
| Holiday accrual | <ul style="list-style-type: none"> x 10 holidays x Accrued as part of paid leave bank | <ul style="list-style-type: none"> x 10 holidays observed x No accrual, no reporting |
| Short-term sick days accrual | <ul style="list-style-type: none"> x 6 days x Accrued as part of paid leave bank | <ul style="list-style-type: none"> x No accrual x Covered by policy |
| Long-term sick days accrual | <ul style="list-style-type: none"> x 4 days x Accrued as part of long-term sick bank | <ul style="list-style-type: none"> x No accrual x Covered by policy |
| Jury duty & Funeral leave | x | |

Time Reporting

New nonexempt employees will begin reporting all time worked and paid time off through the university timeclock system as of June 30, 2024. If there is an electronic punch clock in the building where the employee works a normal or regular schedule, their ID card should be used to punch in and out of work time. The hours worked and other time reported are available for secured online access at: www.andrews.edu/admsvs/timeclock. All hours reported must be approved and submitted by the supervisor.

appropriate bank in order to receive payment for the time that they are away from work. By policy other paid time off available are bereavement leave, jury duty leave, and weather or other campus closure (“snow time,” “power time”, etc

Frequently Asked Questions for Managers and Supervisors

Note: FAQs will be monitored and updated periodically. Please refer to [HR website](#) for the most up-to-date information.

What should I discuss with my employees who are becoming eligible for overtime?

Managers and supervisors may need to set new expectations and change department schedules or behaviors in order to manage hours worked within budgets.

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Does an employee need to be paid for overtime if I did not approve it?

Yes. If overtime hours are worked by non-exempt employees even if unapproved, they must be paid. Therefore, it is important to establish overtime rules and communicate them to everyone in your department. The guidance for affected staff reiterates that they should seek approval before working any overtime, but you can help by establishing rules in your department for seeking approval in advance for projects or events that may be deadline-driven and require additional hours. Since more employees in your department may now be paid for overtime than may have previously been the case, you will need to consider this impact when planning your salary budget.

Can I request or require that a non-exempt employee work over 40 hours in a week and offer “comp time” (unpaid time off taken in a later workweek) instead of pay for overtime?

No. AU does not recognize “comp time,” and, according to FLSA regulations, non-exempt staff are to be paid for overtime hours worked. Other forms of payment, such as compensatory time off, are not to be used. Rearranged work schedules may be an option in lieu of overtime, as long as the hours worked do not exceed 40 in a single workweek. These types of schedules provide flexibility for both the department and the employee. If an employee’s hours worked exceed 40 in a single workweek, they must be paid overtime.

Can non-exempt employees have flexibility in their work hours if it is acceptable for the department?

Yes. Special alternate hours scheduling is allowed from day to day within the same week, but the regulations do not provide you with the discretion to move hours from one week to the next without incurring overtime for the week in which the hours worked exceed 40 (even if the hours worked in the preceding week were less than 40). For example, if an employee normally works 8 hours a day, and has a personal appointment on Monday that only allows him to work 6 hours, the supervisor and employee can agree that the employee will make up the 2 hours later in the same workweek. Another example would be if a typical schedule is 8 hours a day during the day, and the department needs an employee to work a special event for 4 hours during the evening. The schedule may be changed to give the employee 4 hours of time off at another time during the same workweek. Another type of flexibility is working less hours the prior or subsequent week where overtime hours are incurred. Although it will not be a straight offset, but it will provide some counterweight to the additional advance notice of schedule changes should be given to the employee if possible.

Can my non-exempt employee voluntarily work extra hours beyond their normal schedule and not get paid?

No. They must document/report all time they spend working and be compensated for that time.

Does time spent answering emails or using a mobile phone for work outside of normal hours count towards overtime?

It is important to distinguish between tasks an employee is required to do because they request it and tasks an employee may “desire” to do simply because it is the way the employee likes to work. As a rule of thumb, work schedules, including flexible work schedules, or arrangements to work from home on occasion, need to be managed and approved by an employee’s supervisor just the same as

What is the policy on lunch breaks?

There are no federal or state laws which require employees to take lunch and/or breaks. Currently, AU does not have a formal policy governing this. Unless it is an organizational sanctioned business lunch, employees must not report lunch time away from the station as work time. To date, lunch break policy has been treated as an individual and departmental decision. Your department may allow, albeit discreetly, employees to take lunch while remaining at their work station, while other departments with high public access may not permit this to be done. It is recommended that lunch and breaks be taken for health, productivity and work life balance.

What happens if an employee's time was not reported and/or submitted to by the deadline?

All non-