



HR Update for University Staff Council: System-wide Pay Plan and Overtime Regulations

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Background

Overtime Regulations

System-wide Pay Plan

**Federal Department of
Labor initiative**

**Applies to all
employees**

**May change pay
to hourly**

**December
1, 2016**

**Technical
solutions**

A&M System initiative

**Applies to most staff
employees**

**May change
pay rate**

Overtime Regulations – Current Status

Announced May
18. Effective
December 1

- Exemption from overtime is based on:
 - Job duties tests – no change with new regs
 - Salary basis - no change with new regs
 - Salary minimum threshold – increased from \$455 per week to \$913 per week



Overtime Regulations – Salary Minimum for Exemption

- Salary minimum for exemption, effective **December 1, 2016**:
 - \$913 per week or \$3,956.33 per month or \$47,476 per year
 - Minimum does not apply to teachers, lawyers, doctors and veterinarians.
 - Special academic administrative exemption may apply to titles such as Academic Advisor and use a different salary minimum threshold.

Overtime Regulations - Issues in Progress

Issues:

Q: Can individuals in the same title be paid differently, some hourly and some monthly, based on the salary threshold?

A: Yes, if the job duties are exempt, apply the salary minimum (per recent legal guidance given to System HR officers).

Q: If someone's current title is considered exempt, will they be exempt as of December 1, 2016?

A: Possibly. All titles, including System-wide Pay Plan titles are being reviewed for meeting the job duties test. That, in addition to current salary level, will determine the final exemption.

Overtime Regulations - Impact

- Employees (possibly as many as 1,100)
 - Adjust their perspective/assumptions of what it means to be salaried vs. hourly
 - Understand the importance of accurately recording work hours (no “volunteering” of time without reporting)
 - Understand that they may need to adjust schedules and work differently

Overtime Regulations - Impact

- Managers and Supervisors
 - Review organization of work and scheduling
 - Oversee employee work and leave hours
 - Balance financial stewardship with the need to get work done
 - Understand the importance of their role in leading the way through change



Overtime Regulations - Impact

● HR Liaisons

- Be prepared for a change in the number of employees on biweekly payroll vs. monthly payroll effective 12/1
- Be prepared for potential change in the approach to comp time vs. overtime payment
- Help lead supervisors and employees to resources as they become available
- Ask HR questions to help identify issues

System-wide Pay Plan – Current Status

- Standardized titles and pay structures across the A&M System for staff titles
- HR completed initial mapping to new titles based on current classifications
- Cost to minimum distributed to budget contacts:
 - Approximately 500 employees are getting a pay increase to new minimums, effective September 1, through budget process
- Title changes will not be effective until December 1

System-wide Pay Plan - Changes

- Major changes:
 - Distinction between classified and nonclassified titles is mostly going away
 - Shift from Classified Pay Plan to most staff titles having an assigned pay grade in a traditional compensation structure
 - In general, more flexibility within new ranges for determining pay
 - Will change practice of “last budgeted rate” for nonclassified
 - Changes to equivalency ratios

System-wide Pay Plan - Impact

● Employees

- Some will have a pay plan adjustment increase on 9/1
- All will have a change in title code (four-digit number) on 12/1
- Some will have a change in title description on 12/1

Example: Administrative Assistant title

System-wide Pay Plan - Impact

- Managers and Supervisors
 - Changes in staff titles and pay administration are coming December 1
 - Consider holding off on major reorganization and titling changes until more information is available for such decisions
 - Change in perspective about salary decisions

System-wide Pay Plan - Impact

● HR Liaisons

- Be aware that there will be a transition period within PATH for postings and reclassifications
- The overtime regulations and System-wide Pay Plan titles are effective 12/1
- Help HR encourage patience with information and communications

HR - Work in Progress

Implementation Plans:

1. FLSA exemption status of System-wide Pay Plan titles should be determined/finalized by 9/1.
 - Review in progress by HR staff across the System
2. Additional detailed HR review will be completed after 9/1 to determine exactly who will be impacted for each adloc.
3. Lists and guidance will be given on how to communicate with employees and how the changes will occur (both 9/1 and 12/1)

HR - Work in Progress (cont.)

4. Informational sessions, web information and online training will be made available for both employees and supervisors
 - Online training comp time courses – July 1
 - Web information added to HR site – July with plans for expansion of information
 - Informational sessions – in process of being scheduled for fall
 - Additional classroom training on overtime issues – September -December

HR - Work in Progress (cont.)

5. Proposed revisions to University Rules and SAPs to accommodate new pay structures and delegation of authority
6. Guidance, letter templates and other information on employee communication





Final Thoughts

1. USC can serve as a key partner with HR in change management
2. HR seeks to provide the information and tools for all stakeholders
3. Patience, engagement and openness to change are key factors

Questions? (time permitting)