



Office of the Chancellor

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DATE: November 18, 2019

TO: Employees impacted by FLSA changes

FROM: Dan E. Arvizu, Chancellor

A handwritten signature in blue ink that reads 'Dan E. Arvizu'.

SUBJECT: Fair Labor Standards Act (FLSA) and options for staff converting from exempt to non-exempt

For the past few weeks, NMSU leaders have been examining new requirements for the federal Fair Labor Standards Act (FLSA) and the impacts those changes will have on our university and our employees. NMSU must follow the new requirements in order to comply with federal law, and employers throughout the nation are dealing with this same situation.

You are one of approximately 200 NMSU employees who will be converted from an exempt to a non-exempt employee, beginning Jan. 1, 2020. This means your compensation will change from an annual salary to an equal amount paid as hourly wages.

This biggest issue with this conversion involves moving to a lag pay status. Hourly wages are paid on a two-week lag, or the pay period after they are earned. That means individuals moving to non-exempt will not receive a paycheck on Jan. 15, 2020. The pay you have earned for the period between Jan. 1, 2020 and Jan. 15, 2020 will arrive instead as your Jan. 31 paycheck. All other paychecks will also be paid after they are earned.

Please know that we are aware of the hardship this is likely to cause. Going even a short amount of time without a paycheck can be incredibly difficult. Because of that, we are offering several options you may pursue:

- A no-interest loan from NMSU in the amount of your normal net pay, which can be paid back over the next year through payroll deduction to be paid on Jan. 15, 2020;
- Cashing out up to 80 hours of accrued annual leave, to be paid on Jan. 15, 2020;
- A combination of these options: you may cash out some portion of your leave and receive a no-interest loan up to the amount of your net pay, which can be paid back through payroll deduction.

Additionally, another leave payout opportunity will be available as of April 30 for employees who currently have fewer than the necessary hours of accrued annual leave. For employees wishing to pursue any of these options, the Aggie Service Center will serve as a point of contact for assistance. They can be reached at 575-646-2000, asc@nmsu.edu, or by visiting Milton Hall, Room 14. For more information on the Fair Labor Standards Act, I encourage you to visit <https://hr.nmsu.edu/flsa/>.

We value each of our employees. That's why we have developed these options, following best practices, and to be as accommodating as possible.

We are also offering drop-in sessions for affected employees to talk about what is happening and identify resources. The Employee Assistance Program at NMSU will host sessions from 10-11 a.m. and from 2-3 p.m. on Monday, Nov. 25 in Corbett Center's Quay Room. An EAP Counselor and a representative from Human Resource Services will be on hand to help employees better understand the rule changes.

c: Supervisor