

Welcome to HR Presents

July 20, 2016

10:30 am – 12:00 pm
Milton Hall | Room 185

WELCOME & INTRODUCTIONS

ADMINISTRATIVE SYSTEMS TRAINING SECURITY & PREREQUISITES

Presented by: Dee O'Larey
Univ Training Specialist Inter, CLPD

Training Website

- Webpage Site
 - <http://training.nmsu.edu>
 - Location > Our Programs > Administrative Systems & Processes > **training security and prerequisites**

FAIR LABOR STANDARDS ACT (FLSA) CHANGES TO THE LAW

Presented by: Kathy Agnew
Dir, Employment & Comp Services

FLSA Exemptions from Overtime

What Changed And When?

Salary threshold. The final rule will raise the salary level for the first time since 2004 <https://www.dol.gov/featured/overtime>

- Standard salary level - raises the standard salary threshold to equal the 40th percentile of weekly earnings for full-time salaried workers in the lowest-wage Census region, currently the South. This will raise it from \$455 a week to \$913 a week (\$47,476 for a full-year worker).
- Compliance required by December 1, 2016
- Automatic updates - automatically updating the salary threshold every three years, beginning January 1, 2020. Census region, estimated to be \$51,168 in 2020.
- See Guidance for Higher Education Institutions on Paying Overtime under the Fair Labor Standards Act

FLSA Exemptions from Overtime

- Certain job duties may be “exempt” from eligibility to earn overtime. The exclusion from FLSA overtime rules are complex, but in general, the following categories **may** be exempted from overtime:
 - Executive
 - Administrative
 - Professional
 - Creative Professional
 - Computer Employee
 - Outside Sales
- See Fact Sheet #17A

FLSA Exemptions from Overtime

Categories which may be exempt from overtime, must meet **all** of the following criteria:

- Duties Test – See Fact Sheet #17A
- Salary Basis Test - *Being paid on a “salary basis” means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent, basis. See Fact Sheet #17G*
- Salary Level Test - \$913 per week (annual salary \$47,476)

NMSU FLSA Conversion

- Possible Impacted Positions – NMSU has a total of 999 “staff” positions (filled/vacant) assigned as exempt that may be converted to non-exempt

Grade	Does Not Meet			Does Not Meet Total	Meets or Exceeds Threshold			Meets or Exceeds Threshold	Total
	Filled	Vacant	Vacant - Filled/Future		Filled	Vacant	Vacant - Filled/Future		
05	34	11		45		2		2	47
06	308	55	4	367	4			4	371
07	203	51		254	18	6		24	278
08	138	42	1	181	109	12	1	122	303
Total	683	159	5	847	131	20	1	152	999

Conversion - Impact to Employees

- Pay adjustment from on-time to lag pay will result in a delayed paycheck after conversion (e.g. Conversion October 1, next paycheck October 31)
- Timesheet – employees will need to submit a timesheet each pay period accounting for the hours worked on a daily basis.
- No Changes in duties, responsibility or authority – the job duties and responsibilities will not change with a conversion to non-exempt. The change is to eligibility for overtime.

Conversion - Impact to Employees Cont'd

- Transition to Non-Exempt Seniority System:
 - Eligible under NMSU/AFSCME Agreement
 - Article 17 Hours of Work and Overtime:
 - Work Week – normal work schedule for FT five (5) consecutive days with eight (8) hours per day.
 - Work and Meal Breaks
 - Workload Standards
 - Overtime and Distribution of Overtime Opportunities; Compensatory Time
 - Standby, Unrestricted On Call and Call-Back Pay
 - Eligible for standard salary increases (probation, service, longevity)
- Refer to DOL Fact Sheet #22

Conversion - Impact to Employees Cont'd

- Wages AFSCME Article 14:
 - Salary Schedule: new employees are normally hired at entry of pay level. With justification and prior approvals (Dean/VP, Provost, HRS) certain applicants may be hired at 5% or 10% above entry dependent upon experience (years experience must exceed required experience by 5 and 10 years respectively)
 - Probation: performance evaluation and increase to 5% above entry of salary range in grade
 - Longevity: satisfactory completion of 3 regular consecutive years, 5% base adjustment
 - Service: 10, 15, 20, 25 and 30 years of regular consecutive service, \$750, \$850, \$1,000, \$1,300, \$1,500
 - Shift Differentials and Multi-Lingual Pay

What is the Impact to Supervisors?

- Cultural Changes and Morale
 - Moving to non-exempt feels like a demotion
 - Impact on employee engagement
 - Clarifying roles and responsibilities
- Track Time Worked: supervisors will need to ensure that employees do not work unapproved overtime or do not work “off the clock” hours
 - Overtime distribution and compensatory time policies
 - Standby Pay, On Call and Call Back Pay policies
 - Remote access email, work related texting and telephone calls
 - Travel

Travel – Planes, Trains and Autos (Fact Sheet #22)

- Lectures, Meetings and Training Programs: Attendance at lectures, meetings, training programs and similar activities need not be counted as working time only if four criteria are met, namely: it is outside normal hours, it is voluntary, not job related, and no other work is concurrently performed.
- Travel Time: The principles which apply in determining whether time spent in travel is compensable time depends upon the kind of travel involved.
 - Home to Work Travel: An employee who travels from home before the regular workday and returns to his/her home at the end of the workday is engaged in ordinary home to work travel, which is not work time.
 - Home to Work on a Special One Day Assignment in Another City: An employee who regularly works at a fixed location in one city is given a special one day assignment in another city and returns home the same day. The time spent in traveling to and returning from the other city is work time, except that the employer may deduct/not count that time the employee would normally spend commuting to the regular work site.
 - Travel That is All in a Day's Work: Time spent by an employee in travel as part of their principal activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked.
 - Travel Away from Home Community: Travel that keeps an employee away from home overnight is travel away from home. Travel away from home is clearly work time when it cuts across the employee's workday. The time is not only hours worked on regular working days during normal working hours but also during corresponding hours on nonworking days. As an enforcement policy the Division will not consider as work time that time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, boat, bus, or automobile.

Classification Concern

- Academic Administrative Personnel: DOL states that positions that help run higher education institutions and interact with students outside the classroom (academic counselors and advisors, intervention specialist) are subject to a special salary threshold IF they are paid at least as much as the entrance salary for teachers at their institution
 - Entrance Salaries for 12-month Extension Assc I - \$35,000 (subject to revision)
- Mgr, Residence Hall: subject to the new wage threshold of \$913 per week.
- Post Doc: subject to the new wage threshold of \$913 per week.

Classification Concern

- Graduate Asst Other – Only GA TA and RA are exempt from the salary threshold requirement
- Options:
 - Hire as Student Regular “Grad Asst Specialist”
- Issues:
 - In-State Tuition
 - Coding for In-State Tuition

Graduate Assistant Other - Hires Submitted Jan 1, 2016 - Current		
Summary Org	Job Title	Total
Arts and Sciences College	GA Business and Financial	3
	GA Computer-Eng-Science	10
	GA Management	7
Arts and Sciences College Total		20
Business College	GA Business and Financial	20
Business College Total		20
Education College	GA Business and Financial	3
	GA Comm Svc-Legal-Arts-Media	1
	GA Computer-Eng-Science	3
	GA Hlthcare Practitioner-Tech	12
	GA Management	18
	GA Teaching Assistant	1
Education College Total		38
Engineering College	GA Business and Financial	3
	GA Computer-Eng-Science	3
	GA Management	1
Engineering College Total		7
Exec Vice President and Provost	GA Business and Financial	4
	GA Computer-Eng-Science	1
	GA Management	9
Exec Vice President and Provost Total		14
Health and Social Services College	GA Business and Financial	4
	GA Comm Svc-Legal-Arts-Media	3
	GA Computer-Eng-Science	2
	GA Hlthcare Practitioner-Tech	1
Health and Social Services College Total		10
Senior VP for Admin and Finance	GA Management	2
Senior VP for Admin and Finance Total		2
Student Affairs & Enroll Management	GA Comm Svc-Legal-Arts-Media	9
	Student Grad Spec	1
Student Affairs & Enroll Management Total		10
Grand Total		121

Classification Concern

- Coaches – exempt from salary threshold if primary duty is teaching
- Athletic Positions Not Coaches Options:
 - Adjust to meet salary threshold
 - Convert those below threshold to non-exempt

FLSA Excluded from Salary Threshold

Teachers are exempt if the primary duty is teaching, tutoring, instructing or lecturing in the activity of imparting knowledge, and if they are employed and engaged in this activity as a teacher in an educational establishment.

- Include, but are not limited to, regular academic teachers; kindergarten or nursery school teachers; teachers of gifted or disabled children; teachers of skilled and semi-skilled trades and occupations; teachers engaged in automobile driving instruction; aircraft flight instructors; home economics teachers; and vocal or instrument music teachers.
- Coaches: Athletic coaches and assistant coaches may fall under the exemption if their primary duty is teaching, which may include instructing athletes in how to perform their sport. If, however, their duties primarily include recruiting athletes or doing manual labor, they are not considered teachers. A coach could primarily be responsible for instructing athletes but also spend some time recruiting or doing manual labor and still be considered ineligible for overtime.

Supplemental Compensation

- Exempt staff hired as temporary faculty in a supplemental compensation status
- If they are non-exempt, they remain eligible for overtime in these supplemental comp jobs.
- The standard rate cannot be reduced to account for overtime cost.

What are the next steps?

- Develop a conversion plan
 - What date will conversion take place?
 - Which positions will be converted?
 - What will be the cost impact?
 - How will overtime be managed?
- Implementation Plan
 - Notification to impacted employees
 - Notification to supervisors
- Communicate and Train
 - Informational sessions
 - Impacted employee training (timesheets, lag pay, etc.)
 - Supervisor training (timesheets, non-exempt rules, etc.)

Department of Labor Links

- Guidance for Higher Education Institutions
 - <https://www.dol.gov/whd/overtime/final2016/highered-guidance.pdf>
- Fact Sheet #17A
 - https://www.dol.gov/whd/overtime/fs17a_overview.pdf
- Fact Sheet #17G (note: not updated by DOL yet)
 - https://www.dol.gov/whd/overtime/fs17g_salary.pdf
- Fact Sheet #22
 - <https://www.dol.gov/whd/regs/compliance/whdfs22.pdf>
- Questions and Answers from the General Information Overtime Webinars
 - <https://www.dol.gov/whd/overtime/final2016/webinarfaq.htm>
- National Association for College Admission Counseling
 - http://www.nacacnet.org/issues-action/LegislativeNews/ComplianceCenter/Documents/overtimepay_admissions_2015.pdf

**QUESTIONS?
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BENEFIT CHANGES

Presented by: René S. Yoder
Director, Benefit Services

Retiree Health

- Employees Hired on or after July 1, 2016
 - Will not have the option of health insurance coverage from NMSU upon retirement
 - Any employees currently working for NMSU that leave employment or have gap in employment will fall under the new rules when re-hired.

Part Time Benefits

- Regular employees employed at a .5 to .74 FTE will no longer be eligible for insurance benefits effective July 1, 2016
 - If the part time regular employee was already enrolled, they can continue participation until they drop coverage or leave employment.
 - New employees hired into regular positions at .5 to .74 FTE will not have access to insurance programs.
 - Insurances no longer available: medical, prescription, dental, vision, long term disability, group life, voluntary life, flexible spending accounts, critical illness and long term care
 - Benefits part time employees may still participate in: annual leave, sick leave, sick leave bank, retirement, voluntary retirement, tuition waiver, degree increment, Aggiefit, employee discounts

Sick Leave

- Effective July 1, 2016 sick leave will no longer payout upon termination
 - Exception: employees who had more than 600 hours of sick leave accrued as of June 30, 2016 will have the opportunity to have their sick leave hours over 600 paid out upon termination IF at the time of termination their sick leave balance is still over 600
 - The employee will be paid the lesser of the two amounts upon termination
 - Example: June 30, 2016 balance 700 hours, August 31, 2018 balance 650 hours, 50 hours would be paid out at $\frac{1}{2}$ the hourly rate equivalent upon termination on August 31, 2018

Annual Leave

- Effective July 1, 2016
 - Current Employees
 - Annual leave accrual changes from 22 days per fiscal year to 20 days per fiscal year
 - Per pay period accrual changes from 7.34 hours to 6.67 hours
 - Annual leave payout and max accrued hours remains the same
 - Future hires
 - Annual leave accrual is based on years of service
 - 12 days accrued each fiscal year for years 1-4
 - 17 days accrued each fiscal year for years 5-9
 - 20 days accrued each fiscal year for years 10 and beyond
 - Each change in accrual rate occurs the pay period after the employee's anniversary date based on adjusted service date

Annual Leave

- Effective July 1, 2017
 - All annual leave in excess of 240 hours must be used by June 30th of each year or amounts will be forfeited.
 - As of July 1st each year all balances will be reduced to 240
 - Recommendation
 - Have your employees start using leave January through May if their balance will exceed 240 as of June – each month they will accrue another 13.34 hours

CLOSING REMARKS & ADJOURNMENT