

# **FAIR LABOR STANDARDS ACT (FLSA)**



OFFICE OF HUMAN RESOURCES

# *Fair Labor Standards Act*

Guarantees a minimum wage for all hours worked and limits to 40 hours per week the number of hours an employee can work without additional compensation

# *Fair Labor Standards Act*

- Minimum Wage: \$7.25/hour
- Overtime: 1.5 times regular rate of pay after 40 hours in work week
- Who is Covered?
  - Employees in private sector and Federal, State, and local governments

# *Fair Labor Standards Act*

- The US Department of Labor was directed to update and modernize the regulations defining which white collar workers are protected by the FLSA's minimum wage and overtime standards
- Last updated in 2004, with a standard salary level of \$455 per week (\$23,660 annually)

# *Scope of FLSA Exemptions*

## *No Overtime Protection*

Salary Basis Test

Salary Level Test

Duties Test

# *Salary Basis Test*

*(No Overtime Protection)*

Employee must be paid a predetermined and fixed salary that is not subject to reduction because of variations in quality or quantity of work performed

# *Salary Level Test*

*(No Overtime Protection)*

The amount of salary paid must meet minimum specified amount, which is \$913 per week (the equivalent of \$47,476 annually)

# **Duties Test**

***(No Overtime Protection)***

Employee's job duties must primarily involve executive, administrative, or professional duties as defined by the regulations

# *Executive Exemption*

- Compensated on a salary basis at a rate not less than \$913/week
- Primary duty must be managing the enterprise or recognized department or subdivision
- Customarily and regularly directs the work of at least 2 full-time employees
- Authority to hire or fire employees or recommendations given particular weight

# *Administrative Exemption*

- Compensated on a salary basis at a rate not less than \$913/week
- Primary duty must be the performance of office or non-manual work directly related to management or general business operations
- Exercise of discretion and independent judgment with matters of significance

# *Learned Professional Exemption*

- Compensated on a salary basis at a rate not less than \$913/week
- Primary duty must be the performance of work requiring advanced knowledge; consistent exercise of discretion and judgment
- Advanced knowledge must be in a field of science or learning
- Customarily acquired by prolonged course of specialized intellectual instruction

# *Other Exemptions*

- Creative Professional
  - Music, writing, acting, graphic arts
- Teachers, Lawyers, Doctors (salary basis does not apply)
- Computer-Related Occupations

# *Salary Level*

Current Threshold	New Threshold
\$23,660	\$47,476

Salary Level= 40<sup>th</sup> percentile of weekly earnings for salaried workers in the lowest-wage Census Region, currently the South

Salary Level will be updated every 3 years to prevent levels from becoming outdated and ineffective

# Employer Options for Compliance

- 1) Raise salaries to threshold if positions meets duties test
- 2) Pay overtime when applicable
- 3) Evaluate and realign employee workload
- 4) Utilize compensatory time

# ***SCEIS Time Entry***

[http://sceis.sc.gov/courses/ESS110U/L2/ESS110U  
L2.htm](http://sceis.sc.gov/courses/ESS110U/L2/ESS110U_L2.htm)

# Responsibilities Related to Time

- 37.5 hours vs. 40 hours
- Receive approval to work overtime

Work through lunch

Responding to emails after hours

You cannot agree to working without compensation

# *Responsibilities Related to Time*

- Work week: Sunday through Saturday
- Compensatory time vs overtime payment
- Travel during normal work hours on non-work days
- Supervisor/Manager may adjust schedule within workweek to off-set overtime

# **Steps Toward Compliance**

Start time entry October 31, 2016

SCEIS Role Assignment

Missing Time Notifications, if  
applicable

# *Fair Labor Standards Act*

## QUESTIONS

