

Proposed FLSA Overtime Changes & Potential Implications to WCU

Proposed Changes:

- The minimum salary threshold necessary to meet the overtime exemption would be raised significantly. The current level (\$23,660 or \$455/week) would be increased to \$50,440 or \$970/ week for 2016.
- A mechanism for automatically updating the salary and compensation exemption levels going forward would be established.
- The minimum salary threshold for Highly Compensated Employees (HCE's) would be increased to \$122,148 per year).
- No changes to the primary duties test are currently being recommended.
- As currently proposed, faculty positions would not be impacted.

Implementation Timeline:

- The Department of Labor's (DOL) proposed changes to Fair Labor Standards Act (FLSA) regulations were published in the Federal Register on July 6, 2015.
- The 60 day public comment period to solicit feedback is currently open and runs through September 4, 2015.
- After the public comment period closes, DOL will draft the final regulation, taking into account public comments and will hear testimony regarding the proposed changes before issuing a final version to the Office of Information and Regulatory Affairs (OIRA).
- OIRA will then conduct a review of the proposed regulations and publish the final text of the regulation in the Federal Register.
- There is no proposed effective date at this time although it could be as early as January 1, 2016.

Potential Implications for WCU:

- As of August 1, 2015, WCU has 159 FLSA exempt employees whose salaries currently fall below the proposed minimum salary threshold of \$50,440.
 - Administration & Finance: 18
 - Athletics: 42
 - Chancellor's: 2
 - Academic Affairs: 49
 - Student Affairs: 48
- Increased Direct and Indirect Payroll costs
- Increased Administrative costs
- Increased Administrator/Supervisor oversight of time and leave management processes
- Reeducation of impacted employees (and supervisors) on appropriate time and leave reporting requirements and associated policies (travel, on call, etc.)
- Assessment of positions on an individual basis to assess current workloads to determine financial liabilities associated with proposed changes