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Department of Labor FLSA Update

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Strategic Goal 6

- Set the Standard for Sound Governance and Fiscal Management
- 6.6 Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.

FLSA Overtime Update

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On April 23, 2024, the U.S. Department of Labor (Department) announced a final rule, [Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#), which will take effect on July 1, 2024. The final rule updates and revises the regulations issued under section 13(a)(1) of the Fair Labor Standards Act implementing the exemption from minimum wage and overtime pay requirements for executive, administrative, and professional (EAP) employees.

Revisions include increases to the standard salary level and the highly compensated employee total annual compensation threshold.

FLSA Overtime Salary Limits

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- **Current annual salary requirement is \$684 per week** (equivalent to a \$35,568 annual salary)
- **Effective July 1, 2024, the new annual salary requirement is \$844 per week** (equivalent to a \$43,888 annual salary).
- **Effective January 1, 2025, the salary requirement will increase to \$1,128 per week** (equivalent to a \$58,656 annual salary).

Accordingly, to maintain exempt status for executive, administrative and professional employees whose salaries are below the new thresholds, employers need to increase those salaries to the appropriate levels by July 1, 2024 and January 1, 2025 accordingly.

Phase 1: July 1, 2024

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- There are approximately **183** positions affected by this increase.
- These positions will be reclassified to *nonexempt* (overtime eligible), which means the employee will be paid overtime at time and a half for any hours worked in excess of 40 hours per week. As a non-exempt employee, he/she will be required to track and record all hours worked through the Kronos timekeeping system by either swiping a timeclock or by punching in through the computer using a Kronos Timestamp.

Phase 2: January 1, 2025

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- There are currently approximately **796** employees that may be affected by this increase.
- We are currently evaluating Job Specifications and Scheduling meetings with departments to assess possible overtime budgetary impact. Considerations include:
 - Number of employees in that classification
 - Potential overtime costs (by all affected departments)
 - Analysis of cost difference between classification minimum salary and DOL minimum threshold.

Phase 2: January 1, 2025

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Based on possible budgetary impact(s), Job Specifications may:

- Be reclassified to nonexempt (overtime eligible); Or
- Remain as exempt (not eligible for overtime), but the entry salary would need to be increased to meet the FLSA salary limit.
- ✓ The determination is made on the entry salary of the Job Classification, not the individual employee's salary.

Communication

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- Individual letter to the affected employee(s)
- Departmental Communication notifying the Director of each position that will be impacted.
- Email Broadcast
- Q & A sheet for affected employees
- Timekeeping Guide for employees on how to accurately record their time in Kronos.



Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People



Misión

Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad



Visión

Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



Valores

Integridad, Respeto, Excelencia, Responsabilidad, Personas