

CHANGES AHEAD

Are you prepared?



**WHAT'S UP (WAY UP)
WITH FLSA?**

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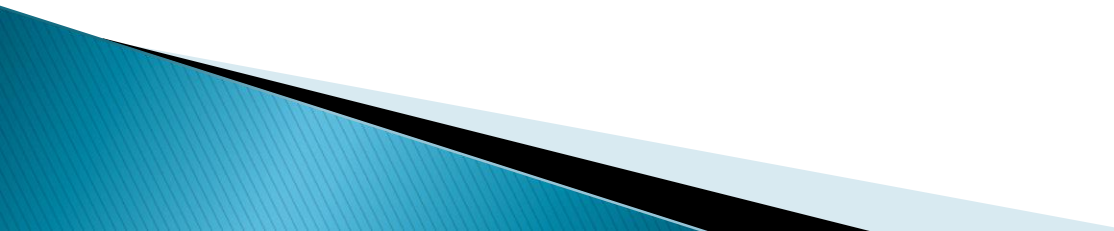
BASIC RULE:

Everyone is HOURLY except for exceptions.

What Does That Mean?

1. If *not exempt* and the employee works more than 40 hours a week, OT pay is required.
2. If *exempt*, the employee is SALARIED (paid fixed compensation) and OT pay is NOT required.

Categorical Exemptions

- ▶ Elected officials
 - Must be paid salary based on Idaho Code 50-203
 - ▶ Teachers
 - ▶ Attorneys and doctors
 - (When performing legal / medical work)
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Job Duty Exemptions

An employee may be **exempt** IF:

- ▶ Paid more than \$913 per week; **and**
- ▶ Fits into 1 of 6 categories:
 - Executive;
 - Administrative;
 - Professional;
 - Computer Personnel;
 - Highly Compensated – now \$134,000; or
 - Outside Salesman.

\$455



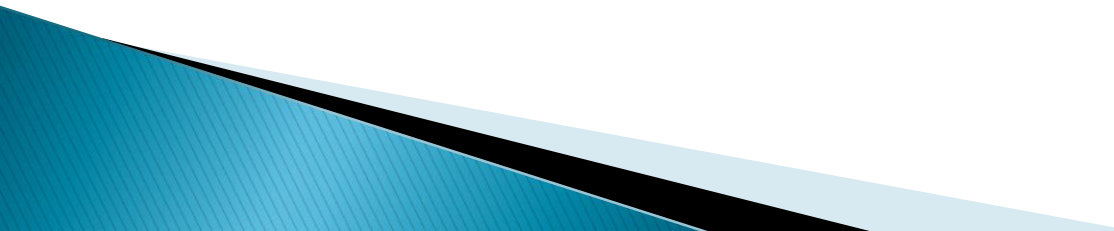
\$913

New Minimum Salary

- ▶ Minimum salary to be exempt raised from \$455/wk. to \$913/wk.(\$47,476 annual).
- ▶ Effective Dec. 1, 2016. (Maybe??)
- ▶ Adjusted every 3 years.
- ▶ A good time to review exempt employees to assure that they qualify.
- ▶ Communicate with those whose status will change.
- ▶ Can still pay salary but must track and compensate for OT.

Options

For those who are currently paid on a salary and exempt if they make less than \$47,476 there are basically two options:

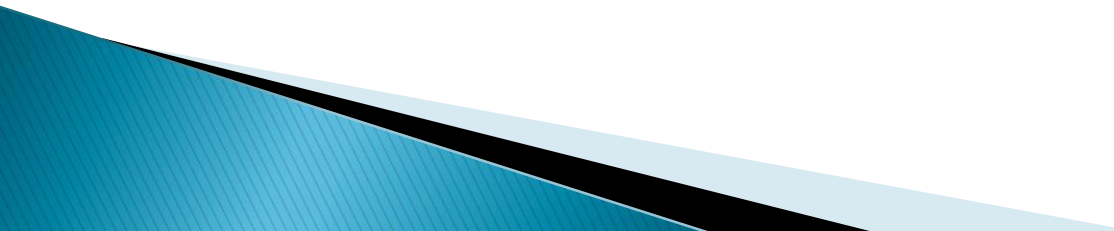
1. Have them become hourly employees.
 2. Raise the salary to meet the new requirements.
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WEEKLY TIMESHEET

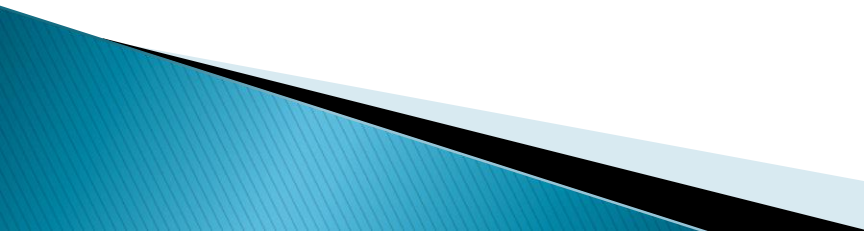
	WED	THUR	FRI	SAT
START				
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ORD				
O/T @ 1.5				
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	9:00	9:00	8:30	
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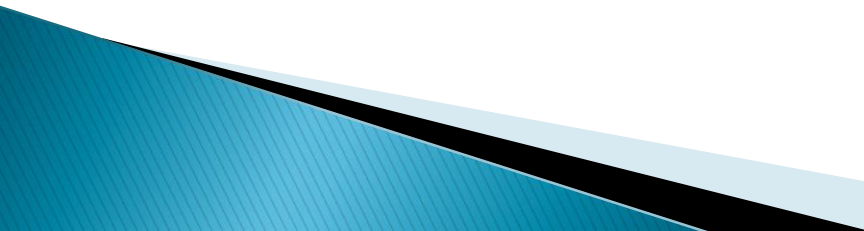
Time Sheets

- ▶ Need to be honest.
 - ▶ Policy should state time to round to.(1/4 hr.?)
 - ▶ Signed by employee and supervisor.
 - ▶ Documentation for payroll.
 - ▶ Corrections acknowledged by employee.
 - ▶ Comply with FLSA records requirements.
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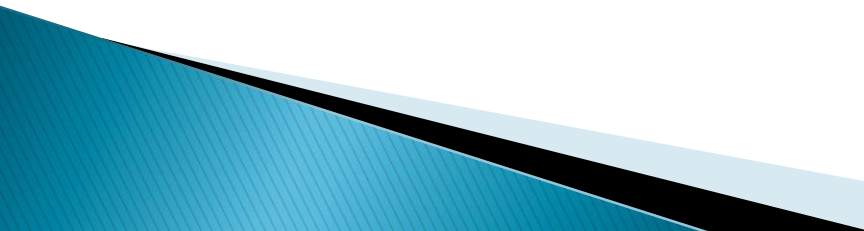
Tracking OT

- ▶ Time clock
 - ▶ Time sheet – specify rounding times
 - ▶ Document exceptions
 - This is often used with “Salary” where OT is required.
 - As a public employer you may balance out with Comp Time
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Communicating

- ▶ You may need to look in the mirror!
 - ▶ Communicate early so that this is not a surprise.
 - ▶ Explain why the change is occurring.
 - ▶ Be understanding, many employees will consider this a demotion. Others will see it as a benefit.
 - ▶ Consider how – or if – this change will affect benefits.
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Avoid FLSA Trouble

- ▶ Periodically review those considered exempt to make sure they still qualify – document
 - ▶ Make sure that “contractors” are not really employees
 - ▶ Have honest time sheets
 - Have all time sheets reviewed and initialed by a supervisor
 - Make sure that no one is keeping time “off the books” – (answering e-mails?)
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- ▶ **Thanks for your time & attention!**
- ▶ **Please don't hesitate to call ICRMP if you or your Attorney have questions.**

