

From: UCSF-VPAA

Sent: Tuesday, October 11, 2016 3:47 PM

To: allacad@listserv.ucsf.edu

Subject: Important information regarding non-faculty academics

Summary:

- The United States Department of Labor (DOL) has approved a change in the federal Fair Labor Standards Act (FLSA) that will significantly increase the number of UC employees eligible for overtime pay effective December 1, 2016.
- Impacted appointees include: junior specialists; assistant specialists step 1 and step 2; and, part-time appointees in the other non-faculty academic series.
- HR Shared Services will be notifying the affected employees, their supervisors, and their department administration in the next two weeks with specific information and available resources.

Dear colleagues:

I am writing to update you on the University's implementation of the Department of Labor's new overtime rule and imminent changes to overtime eligibility and pay schedules for many University non-faculty academic appointees.

BACKGROUND:

The United States Department of Labor (DOL) has approved a change in the federal Fair Labor Standards Act (FLSA) that will significantly increase the number of UC employees eligible for overtime pay effective December 1, 2016. The revised rule increases the minimum salary threshold for exempt employees from \$455/week (approximately \$23,660/year) to \$913/week (approximately \$47,476/year). It is important to note that there is no provision to prorate the salary level requirement of \$913 per week when an employee works part time, or is appointed at less than 100 percent. An employee must receive a salary of at least \$913 in each week in which he or she performs any work regardless of the number of days or hours worked to qualify for the exemption from over-time pay under the FLSA.

Note: Faculty will be unaffected by this rule no matter how much they earn because the minimum salary threshold does not apply to those who have the primary duty of teaching and imparting knowledge.

IMPACT:

The most significant impact at UCSF will be to appointees in the non-faculty academic series: specialist, professional research, academic administrators and academic coordinators. The impacted employees can be grouped into 3 categories:

Junior Specialists (N= ~140 appointees at UCSF)

Because the salary rate for junior specialist is below the minimum salary threshold, **ALL** junior specialists will be reclassified as non-exempt/ overtime-eligible. This means that junior specialists will be asked to track and record all hours worked and will receive overtime pay if they work more than 40 hours in a workweek. They will be paid by the hour for each hour worked and will receive paychecks on a biweekly (rather than monthly) basis. This transition will happen on November 20, 2016.

Assistant Specialists Step 1 and Step 2 (N= ~65 appointees at UCSF)

The minimum salary for the assistant specialist step 1 and step 2 will be raised to maintain their status as exempt employees. Effective November 20, 2016, all current and future appointees at this level must be paid on the new UC salary scale.

	Current Salary Scale (effective 7/1/16)	New Salary scale (effective 11/20/16)
Assistant Specialist Step 1	\$43,428	\$47,484
Assistant Specialist Step 2	\$46,260	\$48,492

There will be no other change to their appointment status unless the appointee is part-time and does not meet the minimum salary threshold (see below).

Note: There are no other revisions to the specialist salary scale for any other rank/step.

Part-time non-faculty academics (N=up to 150 appointees at UCSF)

Non-faculty academics who are part-time may also fall below the minimum salary threshold depending on the percentage of their appointment. Non-faculty academics, including those on recall appointments, who earn less than \$913 per week, will be reclassified as non-exempt/overtime-eligible. HR Shared Services will be reviewing the record of every part-time non-faculty academic to determine whether they meet the salary threshold. If it is determined that an appointee does not meet the salary threshold and should therefore be classified as non-exempt/overtime-eligible, they will be asked to track and record all hours worked and will receive overtime pay if they work more than 40 hours in a workweek. They will be paid by the hour for each hour worked and will receive paychecks on a biweekly (rather than monthly) basis. This transition will happen on November 20, 2016.

ADDITIONAL INFORMATION:

- HR Shared Services will be notifying the affected employees, their supervisors, and their department administration in the next two weeks.
- There will be many resources available to those impacted by this ruling, including Frequently Asked Questions, a vacation cash out program for affected employees, and a series of webinars for supervisors and for employees. Additional details will be provided by HR Shared Services.

I appreciate your support in ensuring that UCSF complies with this revised federal regulation.

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