

Fair Labor Standards Act

Employee Toolkit

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IMPORTANT CHANGES IN OVERTIME REGULATIONS

On April 23, 2024, the Department of Labor (DOL) approved a new overtime rule under the Fair Labor Standards Act (FLSA) that is set to go into effect July 1, 2024. This new rule will require employers to pay overtime to all employees making less than \$43,888 annually. Additionally, the Department of Labor's rule implements an automatic threshold increase to \$58,656 effective January 1, 2025, and establishes that automatic updates to the threshold will occur every three years.

Louisiana State University (LSU) will proceed with converting all individuals who have a salary below \$43,888 and/or who occupy a position with a position range minimum less than \$43,888, to hourly non-exempt for the July 1, 2024 implementation. Due to the bi-weekly pay period beginning on June 29, 2024, the conversion to hourly non-exempt will occur on this date.

Certain employee groups are exempt from the DOL salary test and are not required to meet the new salary threshold; this includes teachers/instructors, coaches, and medical/veterinary residents and interns. These are the only classifications exempt from this proposed overtime rule. Note that there is no proration for part-time workers.

If you make less than \$43,888 annually and/or occupy a position with a position range minimum less than \$43,888, your position will be reclassified as non-exempt hourly, and you will be eligible for overtime pay effective June 29, 2024, to comply with the July 1, 2024, FLSA regulations.

KEY POINTS

Based on the new federal FLSA regulations, LSU is required to reclassify your position from exempt to non-exempt status which affects you in a few key ways:

1. You will move from a monthly pay cycle to a bi-weekly pay cycle.
2. Your annual base salary will be converted to an hourly rate by dividing your annual base salary by 2,080/hours in a calendar year.
3. You will now be required to enter your time in Workday to get paid.
4. You will remain **Unclassified** and outside of the Civil Service rules and regulations.
5. Overtime will be paid **1.5 times** the regular hourly rate for time worked in excess of 40 hours in an assigned standard work week (Saturday 12:00 am - Friday 11:59 pm. **Overtime must be approved by the supervisor in advance of hours being worked. Compensatory time** can be substituted for overtime payments as outlined in Policy Statement (PS) 61.
6. Department's may also choose to utilize flexible scheduling as outlined in PS 79. Flexible scheduling must be pre-approved by the employee's supervisor.

HOW THIS WILL AFFECT YOUR PAY & PERSONAL FINANCES

The initial transition to bi-weekly pay could affect your personal finances. Please review and if necessary, modify any recurring fixed dollar payroll deductions, state and federal withholdings, direct deposit payroll elections, automatic bill payments or transfers to ensure a smooth transition from a monthly to a bi-weekly pay schedule. This change to a bi-weekly pay period will result in 26 paychecks annually.

FEDERAL AND STATE TAXES

Federal and State taxes are withheld from every paycheck. Any tax amount you request to be withheld, in addition to the amount withheld based on the completion of your W-4, will also be withheld from every paycheck. (Example, if you withhold an extra \$50 per paycheck, that will become \$100 per month for months with two bi-weekly pay dates).

To adjust: [Withholding Elections](#)

FIXED DOLLAR PAYROLL DEDUCTIONS

Any fixed-dollar payroll deductions that come out of every paycheck (United Way, LSU Foundation deductions, 403b/457b contributions, Tiger Cash, etc.) will be the same amount you contribute in each bi-weekly paycheck unless you make a change. You are advised to review the amount of your contribution and take action, if you wish to change the amount.

Note that all parking deductions for payroll deduct eligible employees will automatically update from a monthly to a bi-weekly deduction cycle.

DIRECT DEPOSIT PAYROLL ELECTIONS

You will be paid on a bi-weekly schedule and should ensure that any personal automatic bill payment dates/transactions are still appropriate based on when you will be paid. For your payroll elections, your pay will continue to go to your listed account(s). Are the amounts correct?

- **Example 1:** If \$200 per paycheck goes into savings, that would become \$400 a month under a bi-weekly schedule.
- **Example 2:** If you have scheduled for all bills to automatically deduct on the 5th of each month, you will want to ensure the correct funds will be in your account and/or contact the billing company to request a change to the payment due date given the change to a bi-weekly pay cycle.

To adjust, LSU A&M employees, please refer to the [Manage Payment Elections](#) job aid.

For all other LSU campus employees, please submit paper forms to the LSU A&M Payroll Office or the employee's campus HR office. The payment election changes can be requested with form [AS35, Authorization Agreement for Direct Deposits](#).

PAYROLL SCHEDULE

The below chart outlines the initial payroll changes that will occur to ensure LSU's compliance with the DOL's FLSA.

| Pay Date | Pay Period | Additional Information |
|-------------------|--|--|
| June 28th, 2024 | Final salary paycheck received for period June 1 through June 28th | Insurance premium will deduct to cover July. |
| June 29th, 2024 | Transition to hourly non-exempt | Begin entering time in Workday |
| July 19th, 2024 | First bi-weekly paycheck for the pay period June 29th through July 12th | First bi-weekly insurance premium to cover August. |
| August 2nd, 2024 | Second bi-weekly paycheck for the pay period July 13th through July 26th | Insurance premiums will deduct to cover September |
| August 16th, 2024 | Third bi-weekly paycheck for the pay period July 27th through August 9th | Insurance premiums will deduct to cover September |
| August 30th, 2024 | Fourth bi-weekly paycheck for the pay period August 10th through August 23rd | Insurance premiums will deduct to cover August. To reduce hardship on impacted employees, the second August premium will be deducted here. Typically, the 3rd paycheck paid in a month would have no insurance premiums deducted. |

ADDITIONAL INFORMATION

The full wage payroll schedule can be located here: [LSU Payroll Schedules](#)

Frequently Asked Payroll Questions: [Payroll FAQs](#)

Wage Policies & Procedures: [Policies & Procedures](#)

Payroll Forms: [Forms](#)

Direct Deposit: [Authorization Form AS-35](#)

HOW THIS WILL AFFECT YOUR BENEFITS

Most of your payroll deductions will be automatically converted to a bi-weekly schedule by the university, but only you can adjust others.

Deductions for medical, dental, vision, retirement plans, and financial protection plans such as Life Insurance, Long Term Disability, Accident Protection, Flexible Spending Accounts, etc. will be automatically recalculated for you. All of the insurance deductions will be deducted from your two bi-weekly paychecks each month. For the two months during the year when the bi-weekly pay schedule contains three paychecks, insurance deductions are not taken from the third paycheck.

Note: For August 2024, insurance deductions will be deducted from all three paychecks to cover August/September in order to reduce hardship on impacted employees.

However, adjustments will need to be made to the amounts you have set up per paycheck for any **Supplemental Retirement Plans** contributions. Supplemental Retirement Plans are amounts you have set up to be taken from each paycheck. To avoid doubling the amount of each paycheck, you will need to modify the amount per paycheck. For example, if you contribute \$400/month (or per paycheck) to a 403(b), Roth 403(b), 457(b), and/or Roth 457(b) plan, if no changes are made to adjust deductions, your contribution will become \$800/month (\$400 per bi-weekly paycheck) for months with two bi-weekly pay dates and \$1200 for months with three bi-weekly pay dates).

To convert your monthly contribution to bi-weekly contributions:

1. Calculate how much you are contributing on an annual basis (400 x 12 months = \$4800)
2. Divide the annual amount by 26, the total number of paychecks you will receive in a year (\$4800/ 26= \$184.62).
3. \$184.62 should be taken out of each bi-weekly paycheck to equal the \$400 monthly contribution.

To change your contributions:

1. Changes to 403(b) & Roth 403(b) plans can be made through Retirement Manager.
 - The deadline for Retirement Manager is **July 5, 2024**, for the **6/29/2024 - 7/12/2024** pay period.
2. Changes to 457(b) & Roth 457(b) plans can be made in Empower.
 - The requested change of deferred comp (457(b) plans) must be made between **June 17, 2024, and June 24, 2024** to be effective for the 6/29/2024 - 7/12/2024 pay period.

RESOURCES

The Office of Human Resource Management (HRM) Time and Absence division is organizing face-to-face Workday time entry help sessions for employees and supervisors impacted by the FLSA changes. Registration is not required to attend.

Location:

- LSU Library - Room 232

Dates/Times:

- Friday, 7/5/2024 – 9:00 – 10:30 am
- Thursday 7/11/2024 – 2:00 – 3:30 pm
- Friday 7/12/2024 - 9:00 – 10:30am
- Monday 7/15/2024 - 9:00 – 10:30am

U.S. Department of Labor: Wage and Hour Division Final Rule: [Overtime](#)

US Department of Labor Guidance for Higher Education Fact Sheet: [Guidance for Higher Education Employers](#)

LSU Employee Overtime Policy:
[Policy Statement 61](#)

LSU Flexible Work Hours and Staffing Policy:
[Policy Statement 79](#)

Entering Time in Workday:
[Time Entry Job Aid](#)

Request Time Off in Workday:
[Request Time Off Job Aid](#)

Correct Time Off in Workday:
[Correct Time Job Aid](#)

Compensatory Time Quick Guide:
[Comp Time Job Aid](#)

FREQUENTLY ASKED QUESTION (FAQS)

For FAQs, employees can reference the [FAQ document](#) on the HRM website.