Office of State Uniform Payroll State of Louisiana

Division of Administration

JOHN BEL EDWARDS
GOVERNOR



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COMMISSIONER OF ADMINISTRATION

October 09, 2019

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2020-14

TO: LaGov HCM Paid Agency Human Resources

And Employee Administration Staff

FROM: Andrea P. Hubbard

Director

SUBJECT: Fair Labor Standards Act (FLSA) Changes – Final Rule on Overtime

Update to OSUP Memorandum #2017-12

In OSUP Memorandum #2017-12, agencies were advised of changes to the FLSA white-collar exemption earnings threshold. Those changes were later repealed. On September 24, 2019, the U.S. Department of Labor announced the final rule (overtime update) to make 1.3 million American workers eligible for overtime pay. The FINAL RULE updates the regulations for determining whether white-collar (executive, administrative, and professional) salaried employees are exempt from the FLSA overtime protections.

The salary threshold has been increased from \$455.00/week (\$23,660 per year) to \$684.00/week (\$35,568 per year) effective January 1, 2020. The salary threshold will not be automatically adjusted annually, but will be reviewed periodically through notice-and-comment rulemaking. There are no changes to the duties test.

Agencies are required to identify and research impacted employees and change them, as applicable, from exempt to non-exempt status <u>effective December 30, 2019</u>. Affected employees can be identified by using the variant /FLSA 2019 on ZP50 – Basic Pay Informational/Statistical Report. This variant will pull all exempt employees for the selected personnel area(s) whose annual salary is less than \$35,568.

To identify work schedules that may need to be changed, agencies should run ZT02 – Time Entry Audit Report for the employee(s) in the ZP50 report output and filter for work schedules that do not have forty hours in each week of the pay period. These particular work schedules will likely need to be changed to work schedules with forty regular hours in each week. In addition, most non-exempt employees should be on a forty hour per week evaluation schedule. Therefore, after researching work schedules agencies will then want to filter for working weeks that are not seven-day and review for accuracy.

For LaGov report questions and assistance with system changes, please contact the LaGov HCM Help Desk via LaGov HCM web ticket. For any additional questions, contact a member of the OSUP Garnishment Administration Unit at _DOA-OSUP-GARN@la.gov or (225)342-5332. For FLSA specific information, refer the U.S. Department of Labor's website.

APH/CS/jw