

What is the Fair Labor Standards Act (FLSA), and how does it apply to me?

The Fair Labor Standards Act, or FLSA, was established to protect workers against unfair employment practices. In passing the FLSA, the Department of Labor (DOL) established the federal minimum wage, determined requirements for overtime pay, established expectations regarding recordkeeping and set youth employment standards.

All positions are assumed to be non-exempt unless they meet a specific salary threshold, they are paid on a salary basis, and they pass a duties test established by the DOL. Only at that time can University Human Resources determine a position can be exempt from the protections of FLSA.

The table below outlines the notable differences between the exempt and non-exempt FLSA statuses.

Aspect of Employment	Non-Exempt	Exempt
Pay	Paid an hourly wage	Paid a set salary
Overtime Pay	Entitled to overtime pay at time-and-a-half (1.5) for any hours worked above 40 hours during a work week	Does not receive overtime pay
Minimum Pay Required	Must meet the federal minimum wage	Must meet a certain pay threshold in addition to the federal minimum wage
Reporting Time Worked	Reports all hours worked in quarter-hour increments	Does not report time worked
Reporting Leave Time	Reports leave in quarter-hour increments	Typically reports leave in quarter-hour increments
Duties of Position	Can work in any field; job duties are not required to meet certain criteria	Work must fit into specific categories; job duties must meet one or more criteria on the duties test
If Employee's Hours and FTE are Reduced	No change in FLSA status	May require the position to change to nonexempt

Myths and Facts about FLSA:

Myth: FLSA is determined by job title.

- ✓ **Fact:** There are many factors that the compensation team considers when determining potential FLSA status, including the salary threshold, how the position is paid and comparing the position duties to the appropriate FLSA duties test. The position title is not a specific consideration in this determination.

Myth: Non-exempt employees may waive their right to be nonexempt.

- ✓ **Fact:** The classification is a legal designation that cannot be waived.

Myth: If a job regularly requires working variable hours on evenings and weekends, it is likely exempt.

- ✓ **Fact:** There are many factors that contribute to FLSA status; however, work schedule is not a consideration.

Benefits of being exempt

- Consistent salary each pay period
- May have added flexibility in work schedule

Benefits of being nonexempt

- Paid for all hours worked
- Overtime earned for hours worked over 40 in a workweek
- Typically, have a predetermined number of work hours per week.

Have additional questions regarding FLSA? Please contact your [Human Resources Consultant](#) for additional information, or visit our [FLSA resource page](#).