

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 DOL'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 \$58,656 and/or who occupy a position with a position range minimum less than \$58,656, to hourly non-exempt for the January 1, 2025 implementation.

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. There is no proration for part-time workers.

If you make less than \$58,656 annually and/or occupy a position with a position range minimum less than \$58,656, your position will be reclassified as non-exempt hourly, and you will be eligible for overtime pay to comply with FLSA regulations.

Teaching Exemption Information:

- Classroom instruction and coaching qualifies for the teaching exemption.
- Counseling, admissions, and training are examples of functions that will not be exempt under the teaching exemption.
- The new rules do not affect instructional faculty (tenure track, clinical track and lecturers).
- Research faculty and librarians will be affected if the base salary does not meet the FLSA threshold.

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. Departments 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. (For example, if you withhold an extra \$50 per paycheck, that will become \$100 per month for months with two bi-weekly pay dates). All campuses can utilize the job aid 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. (For example, if you contribute \$50 per paycheck to Tiger Cash, that will become \$100 per month for months with two bi-weekly pay dates).

All parking deductions for payroll-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 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

Pay Date	Pay Period	Additional Information
December 23rd, 2024	Salary paycheck received for period December 1st through December 31st	Insurance premium will deduct to cover January. This reflects premium increase for new plan year.
December 28th, 2024	Beginning of wage period that includes January 1, 2025 rule update	Begin entering any time worked onto paper timesheets to manually track overtime. No need to enter holiday time unless the holiday is actually worked.
January 1st, 2025	FLSA Rule is implemented	
January 11th, 2025	System conversion to Hourly Non-Exempt	Begin entering time into Workday
January 31st, 2025	Salary paycheck received for period January 1st through January 11th	This will pay for 8 working days in January. Insurance premiums will deduct to cover February.
January 31st, 2025	First bi-weekly paycheck for the pay period January 11th through January 24th	No Insurance premiums will deduct since this is 3rd bi-weekly check for period
February 14th, 2025	Second bi-weekly paycheck for the pay period January 25th through February 7th	Insurance premiums will deduct to cover March

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: Employees pay insurance premiums in advance. Due to the conversion, you will be paid twice on January 31st. This includes one final salaried check for the period of 1/1/2025 - 1/10/2025 and the first wage check for the period 1/11/2025 - 1/24/2025. Insurance deductions will be deducted from the final salaried check to cover February insurance premiums. If your final salary paycheck is not large enough to cover the full premiums due, then deductions will be taken from your first wage paycheck or from a future paycheck.

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 **January 17, 2025**, for the **1/11/2025 - 1/24/2025** 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 **December 1, 2024, and December 31, 2024**, to be effective for January.

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:

-

Dates/Times:

- Friday, January 17 @ 2:00pm
- Thursday, January 23 @ 9:00am
- Friday, January 24 @ 9:00am
- Friday, January 24 @ 2:00pm
- Monday, January 27 @ 9:00am
- Monday, January 27 @ 2:00pm

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.

Time Tracking Sheet for Non-Exempt Employees

Employee Name:
Workday ID:
Base Hourly Rate:
Overtime Rate:
Current Department:

Day & Date (MM/DD/YYYY)	Start Time - End Time Hours Worked	Total Holiday & Leave	Total Hours
Saturday: 12/28/2024			
Sunday: 12/29/2024			
Monday: 12/30/2024 (Holiday)			
Tuesday: 12/31/2024 (Holiday)			
Wednesday: 01/01/2025 (Holiday)			
Thursday: 01/02/2025			
Friday: 01/03/2025			
Total			

Day & Date (MM/DD/YYYY)	Start Time - End Time Hours worked	Total Holiday & Leave	Total Hours
Saturday: 01/04/2025			
Sunday: 01/05/2025			
Monday: 01/06/2025			
Tuesday: 01/07/2025			
Wednesday: 01/08/2025			
Thursday: 01/09/2025			
Friday: 01/10/2025			
Total			

One-Time Payment or Compensatory Time Earned: OTP CTE

Additional Information:

One-Time Payments (OTPs) or compensatory time shall be used to compensate employees for overtime hours worked. The overtime rate must be paid accurately, adhering to the Fair Labor Standards Act (FLSA) requirement to calculate the new rate as part of the base rate. Start and end time of hours worked assumes 30 minutes for lunch for time blocks greater than 5 hours.

Signatures:

Supervisor: _____ **Date:** _____

Employee: _____ **Date:** _____

Please send to your HR Analyst by close of business on January 14, 2025.