October 26, 2016

MEMORANDUM

TO: Deans, Directors, and Chairpersons

FROM: Sharon E. Butler, Associate Vice President for Human Resources
Theodore H. Curry, II, Associate Provost and Associate Vice President for Academic Human Resources

CC: HR Unit Administrators
Fiscal Officers

SUBJECT: Fair Labor Standards Act Policies

Since our last communication, we have made significant progress towards implementation of changes associated with the Fair Labor Standards Act (FLSA). The changes to the Act precipitated updates to the current support staff overtime policy as well as creation of a new policy for faculty and academic staff. Together with the Office of the General Counsel, we have finalized those policies and write to share the policies with you.

Linked here you will find:

- Support Staff Overtime Policy
- Faculty and Academic Staff Overtime Policy
- Support Staff Policy for Compensatory Time
- Faculty and Academic Staff Policy for Compensatory Time
- Compensatory Time Off Agreement

Each Overtime policy contains definitions of overtime, compensable time, and compensatory time off as well as procedures for time tracking and time reporting. The Compensatory Time policies provide information regarding caps on compensatory time and procedures for using compensatory time.

The policies also define supervisor and employee responsibilities associated with each policy. As previously communicated, successful implementation of the changes rely upon supervisor and employee understanding of the policies.

Accompanying the policies is a new statement on overtime for the Employee Handbook.
Additionally, we have developed a template for supervisors to use to communicate with employees who will become non-exempt on December 1, 2016 (attached).

As noted in previous communications, Research Associates at Michigan State University who earn below the new salary threshold of $47,476 will be significantly impacted on our campus. Those who earn below $47,476 will lose their exempt status, will be required to track hours worked, and will become eligible for overtime pay for all hours worked over 40 in a workweek. Because of the nature of the work of Research Associates, coupled with increasing competition for talented Research Associates, we urge you to consider raising salaries of your Research Associates to the new FLSA salary minimum so that we remain competitive with our peers in attracting talent to MSU.

Please remember that the final regulations (including the attached policies) go into effect on December 1, 2016.

The new polices may be found on the MSU Human Resources website:
www.hr.msu.edu/flsa.

Questions about the policies may be directed to:

Academic Human Resources:
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Human Resources:
Reneè Rivard, rivardr@hr.msu.edu

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