



2024 FLSA REGULATIONS

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WHAT IS THE FAIR LABOR STANDARDS ACT?

- The FLSA establishes:
 - minimum wage,
 - overtime pay,
 - recordkeeping, and
 - youth employment standards.
- Employees are either “exempt” or “nonexempt” from the minimum wage and overtime provisions of the FLSA, which is administered by the U.S. Department of Labor.



2024 FLSA REGULATIONS UPDATE - WHERE WE'VE BEEN

- **April 23, 2024** - Final regulations released with two-phased implementation:
 - July 1, 2024 - minimum salary threshold increases to \$43,888
 - January 1, 2025 - minimum salary threshold increases to \$58,656
- **June 5, 2024** - ElevatED courses provided to all affected employees sharing guidance on transition. Resources also provided to timekeepers.





2024 FLSA REGULATIONS UPDATE - WHERE WE'VE BEEN

- **June 30, 2024** - Phase I implemented by AU and AUM campuses
 - AU Impact - 135 employees
 - AUM Impact - 42 employees
- **Every day** - Patiently awaiting outcomes of a few court challenges which could affect second phase



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Eligibility Basis	Previous Criteria	New Criteria
Salary Basis Test	The employee must be paid on a salaried basis.	The employee must be paid on a salaried basis.
Salary Level Test	The salary must be at least \$684/week or \$35,568/year.	<p>The salary must be at least \$844/week or \$43,888/year (effective 7/1/24).</p> <p>The salary must be at least \$1,128/week or \$58,656/year (effective 1/1/25).</p>
Duties Test	The position's "primary duties" must be consistent with executive, professional, administrative, and computer related positions as defined by DOL.	The position's "primary duties" must be consistent with executive, professional, administrative, and computer related positions as defined by DOL.

- *The DOL plans to automatically increase the minimum salary threshold every three years. Next increase would occur on July 1, 2027, if not successfully challenged.*



2024 FLSA REGULATIONS UPDATE - NEXT STEPS

- **Dec 1, 2024** - Phase II to be implemented by AU and AUM campuses:
 - AU Impact - 478 employees
 - AUM Impact - 68 employees
- **Late October/Early November** - Affected employees notified; ElevatED courses assigned
- **Automatic increases** expected every 3 years on July 1



FREQUENTLY ASKED QUESTIONS

- **Do employees with a salary below the new threshold have the option of remaining exempt?**
 - No. The FLSA is a federal law and not an employee choice.



FREQUENTLY ASKED QUESTIONS

- **If an employee is impacted in Phase II, how will their pay change?**

- The employee's wage/salary will not change. However, instead of it being paid according to 12 monthly pay periods, it will be spread over 26 equal biweekly pay periods.



FREQUENTLY ASKED QUESTIONS

- **How do the regulations apply to part-time employees?**
 - Employees who work part-time are required to meet all three tests in order for their position to be designated as exempt. The minimum salary threshold cannot be prorated for part-time positions.



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Questions?

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