**What is the FLSA?**
The FLSA, or Fair Labor Standards Act, is a federal law that was enacted in 1938. It establishes minimum wage, overtime pay, recordkeeping, and child labor standards for employees who are covered by and not exempt from the Act. The FLSA is enforced by the US Department of Labor’s Wage and Hour Division.

**What is the difference between exempt and non-exempt status?**
“Exempt” employees are not subject to the FLSA’s overtime pay provisions. “Non-exempt” employees are.

**What is the effect of that difference on overtime pay?**
Exempt employees do not have to be paid overtime pay for any hours worked over 40 in a week that they work. Non-exempt employees do.

**What determines whether a position is exempt or non-exempt?**
Employees are presumed to be non-exempt, unless they satisfy detailed exemption tests. To qualify as exempt, an employee generally must perform certain specified duties. The major exemption categories, known as the “white collar” exemptions, concern certain executive, administrative, professional, outside sales, and computer technology employees.

**Why does Ohio University have to complete a new FLSA review?**
A review of all employees’ exemption status was necessary to make sure Ohio University complies with the latest FLSA regulations and Ohio law. In May 2016 the Department of Labor (DOL) increased the standard salary level to qualify for exemption from the FLSA overtime requirements from $455 a week ($23,660 a year) to $913 a week ($47,476 a year). This change will be effective December 1, 2016.

**Why would an employee’s status change from exempt to non-exempt?**
Compensation completed an analysis for each employee that included a review of the following: current FTE level, current salary, estimated overtime hours, cost to increase salary, number of employees in the same job who are currently above the salary threshold, pay compression in comparison to supervisor salary, and current pay grade assignment.

Compensation completed the salary basis test for employees to see if they could qualify for the FLSA’s executive, administrative or professional exemption. The salary basis test is when an employee must be paid a predetermined and fixed salary that isn’t subject to reduction because of variations in the quality or quantity of work performed. The fixed or predetermined salary will increase to $47,476 effective December 1, 2016 and is expected to change every three years. In addition to reviewing the salary basis of employees, Compensation also analyzed jobs that would qualify for other exempt status under the Professional Exemption, including teachers and academic administrators. The salary basis test does not apply to bona fide teachers so there is no minimum salary they must be paid to remain exempt from the overtime provisions of the FLSA. Certain academic administrators, as long as they are paid at least the entrance salary for teachers set by our institution are exempt from the FLSA overtime provisions as well. Ohio University has established that the entrance salary for teachers equates to $50,833 which is greater than the new salary basis of $47,476. Therefore, we would not apply the academic administrator exemption.

**What determines if a position is Administrative or Classified?**
Chapter 124 of the Ohio Revised Codes defines if a position is Classified or Unclassified (Administrative).
If you have questions or would like more information:
Contact the Compensation Department:
  • Emily Musal, Senior Compensation Analyst
  • Kelly Coakley, Compensation Data Analyst