Exempt & Non-Exempt FLSA Status

Overtime Refresher

Here’s a refresher course on overtime for Staff employees. First, some definitions:

* "FLSA" is the Fair Labor Standards Act of 1938, which provides, among other things, for minimum standards for wages and overtime entitlement.
* "Non-exempt" employees are employees who are subject to all FLSA provisions. They are required to account for time worked on an hourly and fractional hourly basis and are compensated for qualified overtime hours.
* "Exempt" employees are employees who are exempt from FLSA overtime provisions. Exempt employees are paid an established salary and are expected to fulfill the duties of their positions regardless of hours worked. They are NOT eligible to receive overtime compensation or compensatory time off.

To determine FLSA status for a given job title, look up the title code on TCS at https://tcs.ucop.edu/tcs/jsp/homePage.htm.

The employee's title’s FLSA status is also shown on PPS. You can find it spelled out on the Inquiry Appointment/Distribution screens (IAPP, IAPT) under the "FLSA" field. You may also see it in code on the Entry Appointment/Distribution screen (EAPP) under the "FLSA" field: "0" for Non-exempt, "1" for Exempt. (Note that data in this field is derived from the title code and cannot be changed by departments.)

Sometimes the FLSA status for a title is overridden for a specific appointment. For example, a typically exempt title (as shown on the Salary Scales) is determined to actually be non-exempt (for a specific appointment). This determination is made by the Human Resources Compensation unit and the appointment’s FLSA status in PPS is adjusted by HR.

Make sure that your employees are recording their time appropriately for their FLSA status.

Non-exempt employees:
* Record time to the nearest quarter-hour.
* Time worked over their regular scheduled time is overtime, which must be pre-approved by the department head.
* Overtime is compensated either by pay or compensatory time, as dictated by the employee’s contract or policy.
* Time worked in excess of an employee’s regular time but under 40 hours a week is compensated as *straight* overtime (one hour worked equals one hour overtime).
* Time worked in excess of an employee’s regular time but over 40 hours in a week is compensated as *premium* overtime (one hour worked equals one-and-a-half hour overtime). Note that time *worked* is not the same as time *paid*, so generally, paid leave time such as vacation, sick leave, comp time taken and holiday doesn’t enter into the 40-hour rule. (But definition of time worked for overtime purposes can vary, so always check the appropriate contract or policy!)
* For practical tips on determining whether overtime is straight or premium, refer to the 8/15/00
Exempt employees:
* Record only time off, measured in full days.
* Are not eligible to earn overtime and do not record overtime.

PPS entry and time recording questions can be directed to Coni Edick in Human Resources (X3197, coni.edick@hr.ucsb.edu)