



HR COMPENSATION CONSULTANTS, LLC

# FPHRA FLSA PRESENTATION

JULY 2016

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# AGENDA



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## FLSA Overview

- The Final Rule
- Public Employers Exceptions
- What is the Intent?

## Next Steps You Can Take Now

## Options for Compliance

## Promote Awareness

## Analyze “What if” Scenarios



HR COMPENSATION CONSULTANTS, LLC

## History and Experience

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Formed in 2003

Officially became an LLC in April 2007

Certified by the state of Florida as a Minority Business Enterprise

Principal has over 20 years of progressive compensation experience, starting career in governmental consulting

Consultants have over 15 years HR and compensation experience working with private-sector, university, non-profit and public-sector clients



The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in federal, state, and local governments.

# The Final Rule

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1. Increases salary test to \$913/week (\$47,476/year) on 12-01-2016
2. No changes to the duties tests for 'white' collar exemptions
3. Establishes a mechanism for automatically updating the salary levels every 3 years (01-01-2020)



# Public Employers Exceptions

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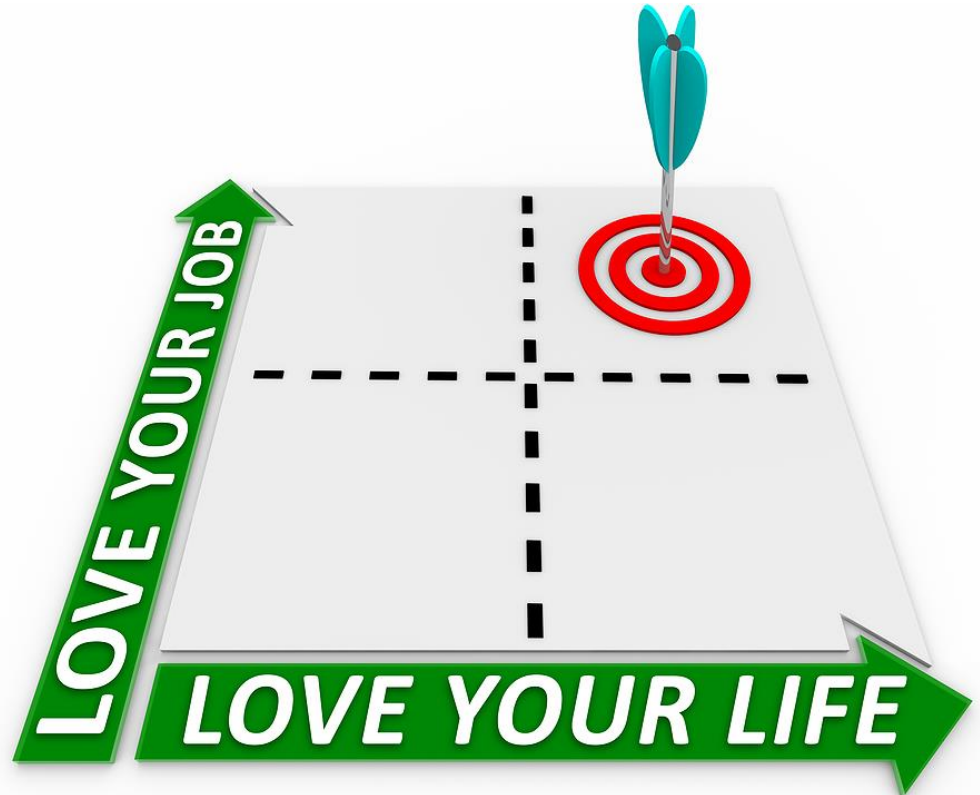
1. Hourly workers - entitled to overtime pay or comp time regardless of how much they make if they work over 40 hours a week
2. Workers with regular work weeks of 40 or fewer hours – change should have no impact on their actual pay level
3. Comp time arrangements – can be used to satisfy the overtime obligation rather than paying the cash premium
  - As long as the maximum accrual has not been met

# What is the Intent?

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According to the DOL, 62% of full-time salaried workers were eligible for overtime pay in 1975 and today only 8% of those same types of workers are overtime pay eligible.

Why do you think that is?



# What Steps Can You Take Now?

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- Plan your communications strategy
- Identify exempt positions that no longer meet the salary test
- Identify your pay strategy
- Analyze work requirements
- Analyze benefits and comp time





# Options for Compliance



1. Raise salaries
2. Pay overtime above a salary
3. Evaluate and realign employee workload
4. Utilize comp time

# Promote Awareness

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Consider developing a communication strategy in advance, along with preparing employee presentations / FAQs so there will be fewer surprises when the regulations go into effect December 1st, 2016.





# Review Your Job Descriptions

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Raise your hand if you think  
all of your job descriptions  
are up to date?

What's the best way to keep  
them up-to-date?



# Compensation

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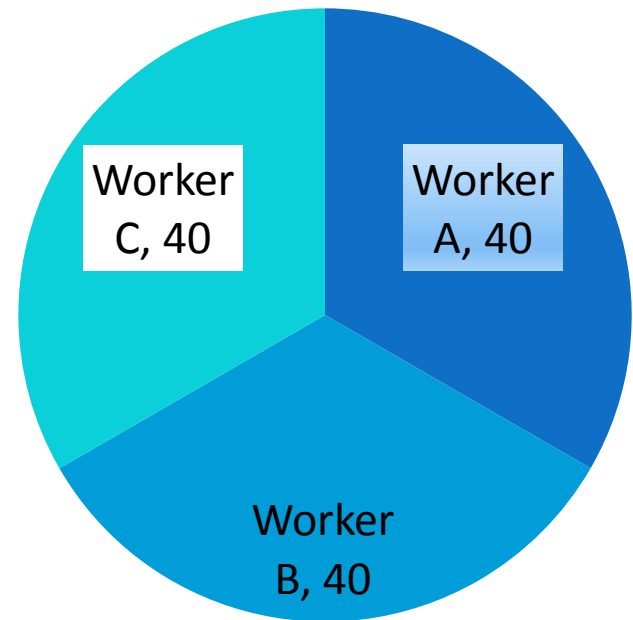
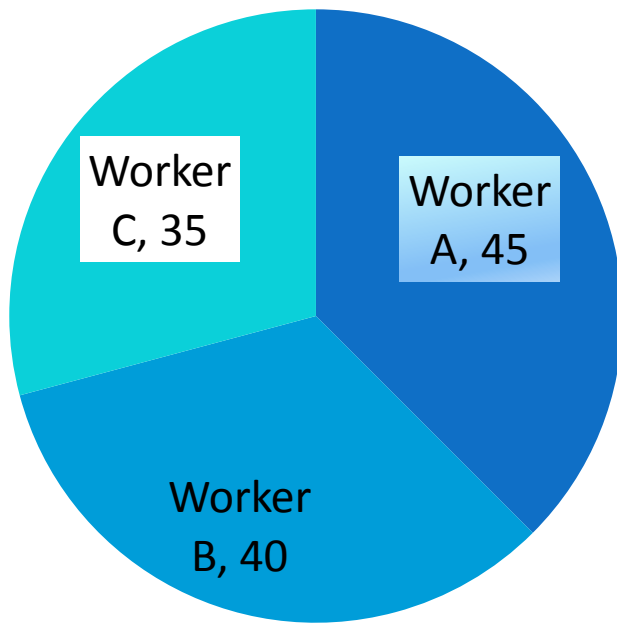
Should pay ranges be altered in relation to the new standard salary level?

If pay ranges are altered, what pay compression considerations should be made?

# Workforce Management

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May need to redistribute work hours



# Employee Engagement

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What strategies will be used to communicate the change, and ultimately incentivize the desired job behaviors?



# Other Considerations

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What other issues or concerns do you think might arise from the “final rule”?



Questions  
are  
guaranteed in  
life;  
Answers  
aren't.