FLSA & Recording
Hours Worked

PeopleSoft Time Entry for Salaried, Nonexempt Employees
TODAY’S DISCUSSION

- Understanding Requirements of the Fair Labor Standards Act
- Changes to UVM’s Time Entry Process
  - Who is affected?
  - Roles and responsibilities?
- Implementation: Next Steps
Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) is a federal law designed to protect employees and maintain fair working conditions. It includes minimum wage, overtime, child labor, recordkeeping, and equal pay provisions.
Fair Labor Standards Act

- **FLSA Overtime.** The FLSA requires overtime compensation (at time and one-half) for all "hours worked" over a prescribed "threshold" (typically 40 hours per week) for "nonexempt" employees.

- **FLSA Enforcement.** FLSA overtime cases seek recovery for unpaid or underpaid back wages, plus double damages and attorneys' fees.
Exempt vs. Nonexempt Positions

- Not all employees are protected by the FLSA’s minimum wage and overtime provisions. Some employees are legally **exempt** from the regulations, and others are legally **nonexempt**.

- Exempt employees are not covered by the overtime provisions of the FLSA.
Exempt vs. Nonexempt Positions

Because the intent of the FLSA is to protect employees, a job has to meet specific criteria outlined by the FLSA to be exempt from its minimum wage and overtime provisions.
Exempt vs. Nonexempt Positions

- Although new Federal exemption rules (2004) are relevant for Vermont employers, the State of Vermont has chosen to continue to use the old rules.

- Since the Department of Labor (DOL) can audit an employer to determine if rules are being applied correctly, Human Resource Services makes the final decision based on the job duties in the position.
FLSA Recordkeeping

Records required for each non-exempt worker must include information about the employee and data about the hours worked and the wages earned. The law requires this information to be accurate (auditable).
**FLSA Recordkeeping**

**Employees on Fixed Schedules**: Salaried non-exempt employees typically work on a fixed schedule from which they seldom vary.

- The employer must keep a record showing the exact schedule of daily and weekly hours and confirm that the worker did follow the schedule.

- When a worker is on a job for a longer or shorter period of time than the schedule shows, the employer must record and confirm the number of hours actually worked.
What is changing and why?

- Many UVM employees enjoy having the ability to “flex” their hours, and the University must apply auditable FLSA protections.

- Employees and supervisors must provide UVM a confirmed record of hours worked that is linked to the corresponding payroll.
What is changing and why?

- In the **OLD** process, salaried nonexempt employees enter only their paid time off for supervisory approval, rather than their time worked.

- In the **NEW** process, salaried nonexempt employees will enter time worked and time off for their supervisor to approve each pay period.
What is changing and why?

- **For the employee**, this means entering a record of daily hours for each pay period.

- **For the supervisor**, this means approving the hours entered by the employee for each pay period.
Implementation Plan

- **Mid-December:** "How to" details sent to all affected employees and supervisors along with January schedule of open labs.

- **First January Pay Period:** Employees begin entering time for approval.

- **January 2012:** Begin "hands-on" instruction, if needed, in Open Labs scheduled by HRS Learning Services.
Implementation Plan

- Division offices will receive regular reports indicating who has not entered or approved time for salaried nonexempt staff.

- Staff should direct questions to their supervisors. (Detailed guides will be online mid-December.)

- Supervisors may seek guidance through their assigned HRS Management Consultant. (HRS and Payroll Services staff are available to meet with departments upon request.)