

**Key Terms**

**Exempt Employee:** paid on salary basis; does not track time worked.

**Non-exempt Employee:** paid hourly; tracks all time worked.

## FREQUENTLY ASKED QUESTIONS

### FLSA CHANGES FOR 2024

#### 1. What is the Fair Labor Standards Act (FLSA)?

The Fair Labor Standards Act (FLSA) is the federal wage and hour law administered by the U.S. Department of Labor (DOL). It impacts employees in both private and public sectors by establishing minimum wage, overtime pay, and other wage and hour regulations. Employees are either exempt or non-exempt from the FLSA regulations.

#### 2. What does it mean to be exempt or non-exempt?

Exempt employees are excluded from the overtime requirements. Non-exempt employees are paid overtime for time worked in excess of 40 hours in any workweek. To be classified as exempt, an employee must meet the following three tests:

**Salary Basis Test:** An employee must receive a predetermined, fixed salary that is not subject to reduction due to variations in quality or quantity of work performed;

**Minimum Salary Test:** An employee must be paid a salary minimum that is currently \$35,568 per year (\$684 per week); and

**Duties Test:** An employee must qualify as an executive, administrative, professional, or computer professional (as specifically defined by the FLSA)

#### 3. What is changing?

The DOL is raising the minimum salary for an employee to be designated as exempt from \$35,568 per year (\$684 per week) to \$43,888 per year (\$844 per week).

#### 4. When will these changes become effective?

The changes will be effective July 1, 2024.

#### 5. Are faculty excluded from these changes?

Yes. Under the FLSA, employees are not subject to the salary minimum if their primary duty is teaching, tutoring, instructing or lecturing, and if they are employed and engaged in this activity as a teacher in an educational establishment (i.e., Purdue University).

#### 6. How does this affect a part-time or less than 100% FTE employee?

The salary minimum is not prorated for part-time work. For example, an employee with an 50% FTE appointment and annualized salary of \$48,000 (over the proposed salary minimum) is actually paid \$24,000. Since the new salary minimum is \$43,888/year (\$844/week), this position would be non-exempt due to falling below the minimum salary requirement.

**7. Can I continue to be an exempt employee by opting out of this change?**

No. The exemption criteria are federal law. An employee and employer cannot agree to waive any of the law's requirements.

**8. Will switching from exempt to non-exempt impact an employee's leave accrual or retirement benefits?**

No. This regulatory change will not change an employee's leave accrual or retirement plan participation.

**9. As a non-exempt employee, can I still work early or late? Can I check emails from home?**

Non-exempt employees can make arrangements and obtain approval from their supervisor to work from home, to check messages at night or to change their daily schedules to different hours. However, all time worked must be accounted for and recorded as time worked. All overtime and any alternative work arrangements must be approved in advance by the employee's direct supervisor.

**10. I'm currently tracking my work hours and recording my work time. How will this proposed change in regulations affect me?**

You will not be personally impacted by the proposed changes in FLSA regulations. The changes as proposed will only impact employees who are currently exempt, not required to track work hours and not eligible for overtime pay.