



FLSA Supervisor Fact Sheet

Frequently Asked Questions (FAQs) about Salaried Non-Exempt status – April 2024

Purpose

This guidance is to help supervisors understand what's changing for an employee who transitions from salaried, overtime-exempt status to salaried, overtime non-exempt status in the context of proposed changes to Fair Labor Standards Act (FLSA) regulations.

What is FLSA?

The Fair Labor Standards Act (FLSA) is the federal law that governs overtime pay provisions for employees across the United States, with a small number of exemptions for certain professions. Employees who are paid on fixed, preset salaries and are engaged in executive, administrative or professional (including research) duties are considered exempt from overtime. Currently an employee's annual salary must be at least \$684 per week (\$35,568 per year) to meet this exemption. Effective July 1, 2024, the annual salary threshold will increase to \$844 per week or \$43,888 per year. The Department of Labor has announced a second increase with an effective date of January 1, 2025, the annual salary threshold is anticipated to increase to \$1,128 per week or \$58,656 per year. The University is not acting on this second increase at this time given that it is not effective until January 1, 2025, and may face legal action which may pause or stop implementation--IHR will communicate further information on this at a later date.

What is happening to my employee(s)?

Except for employees who meet certain exemption criteria like teachers, employees who were previously overtime-exempt will now be salaried non-exempt as long as their salary is below the new threshold. Salaried non-exempt employees are eligible for overtime based on the requirements of this federal regulation.

What does "overtime-eligible" or "salaried non-exempt" mean?

Salaried non-exempt employees receive pay on a salary basis that provides compensation for their regular service. They also receive pay for additional hours worked. In other words, a full-time employee receives overtime when they work more hours than their full-time workweek. This also means that they need to complete biweekly timesheets. (See table below for further summary details.)

Will an employee always remain in this status? What happens if salary increases take them over the threshold?

If an employee later has their salary exceed the threshold, they will again be overtime-exempt.

If my employee goes to salaried non-exempt status, when can I and my unit reconsider that decision and raise them to the threshold instead?

The decision can be revisited later, for example if the unit experiences a significant and consistent amount of overtime hours. The expected timeframe for revisiting the decision is no sooner than six months after the employee becomes salaried non-exempt, to provide sufficient data to inform a new decision.

Managing Overtime

When does overtime start?

Salaried non-exempt employees will receive overtime compensation when hours in pay status exceed either 40 hours/week (academic) or 37.5 or 40 hours/week (civil service), regardless of whether the employee is part-time or full time. Non-exempt civil service employees also receive overtime compensation when hours in pay status exceed 7.5/day or 8/day in accordance with Policy and Rules for Civil Service Staff. The workweek period starts on Sunday and ends on Saturday.

What does “hours in pay status” mean?

Hours in pay status means time worked plus time for leave benefits such as vacation and sick leave.

How do I manage overtime?

Employees will need to have pre-authorization for appropriate use of overtime hours. Preauthorization may vary from unit to unit, and in some cases, supervisor to supervisor. Supervisors should work with their unit and college leadership to establish a feasible overtime schedule and parameters that best suit your operational needs. Some examples could be:

- Pre-approval for ANY/ALL hours worked in an overtime capacity.
- Blanket approval for overtime up to a certain number of hours, i.e., any hours up to 5 hours per week is allowable without pre-approval. Any hours in excess must be discussed prior to the work is performed.
- Seasonal peak periods with no limit or pre-approval necessary

I have a part-time employee appointed at 50% FTE. Do I have to pay for hours worked beyond the 50% FTE? What if they work over 40 hours in a given week? Do I have to pay overtime?

Yes, part-time employees must be compensated for hours worked beyond the appointment FTE. This time is paid at the regular hourly rate. Hours in pay status beyond either 40 hours/week (academic) or 37.5 or 40 hours/week (civil service) are overtime. Non-exempt civil service employees also receive overtime compensation when hours in pay status exceed 7.5/day or 8/day in accordance with Policy and Rules for Civil Service Staff.

Can the unit provide separate pre-approval overtime authorizations to the same employees (same title) in each unit?

Yes, the unit will be responsible for creating the pre-approval overtime guidelines and each individual position will be unique in that the overtime scenarios may be different.

Affected Employees with Sponsored Work Authorization

What if my employee is on a visa?

If a sponsored employee receives a threshold increase due to the FLSA, International Student & Scholar Services (ISSS) needs to be notified. Supervisors should consult with their unit HR representative.

Time Reporting

What if my employee is paid on a grant or from multiple sources?

More information about employees paid on grants as it relates to overtime can be found on the [Sponsored Programs](#) page. Contact your unit HR representative for guidance.

How will bi-weekly timesheets be reviewed and approved?

It will depend on what bi-weekly payroll entry method is utilized in your department. Please contact your unit HR representative for information.

If an employee answers a work call or responds to a work email outside of regular work hours, are they compensated?

Salaried non-exempt employees report time in 15-minute increments. If the amount of time worked is less than or equal to 7 minutes, then no overtime should be reported or paid. This time is considered “de minimis”. If the amount of time worked is greater than or equal to 7 minutes, then yes, overtime should be reported as 15 minutes. A rounding schedule will be provided. (See also: FLSA Remote Work Considerations)

What are my responsibilities as a supervisor?

- Ensure timesheets are submitted and approved every two weeks regardless of whether or not overtime hours are worked.
- Set guidelines for preauthorization of overtime per unit/college guidance
- Reinforce reporting of all hours worked
- Be mindful of when your staff are working and when you are asking them to work
- Do not permit “comp time”
- Clearly communicate work expectations, including any flexing of an employee’s schedule within the work week (e.g., working more hours one day and less on another)
- Ensure that the funding source of the employee allows overtime or that an alternative funding source exists

Can a unit/supervisor require overtime?

Yes, the university can require employees to work overtime. As with other scheduling changes and expectations, we must make an effort to provide reasonable, advance notice to the employee of their expected work schedule.

Can a salaried, non-exempt employee receive a Service in Excess payment? If so, how should that be determined?

Yes. More information is available on the [Service in Excess form](#).

If my employee receives a salary increase to the new minimum threshold of \$60,209, and the University ends up having a salary program, can I provide another increase? Am I required to provide another increase?

The University’s Budget Guidelines each fiscal year establish the criteria for eligibility for the salary program, and the FY25 guidelines have not been finalized yet. As a reference point, the FY24 Guidelines included that an employee who received a “significant increase” March 1 or later were ineligible for the salary program.

What is different for my impacted employee(s)?

WHAT’S DIFFERENT?	
Full details for the specifics of these changes can be found at https://go.illinois.edu/flsa and employees will be given an informational fact sheet with their determination letter.	
Overtime-Exempt Employees above threshold	Overtime-Eligible (Salaried Non-Exempt)
<ul style="list-style-type: none"> • Half & Full Day Leave Reporting 	<ul style="list-style-type: none"> • 1 hour increment Leave Reporting
<ul style="list-style-type: none"> • Positive Time Reporting Required 	<ul style="list-style-type: none"> • NO Positive Time Reporting
<ul style="list-style-type: none"> • Ineligible for OT 	<ul style="list-style-type: none"> • Eligible for OT in 15 min increments With pre-authorization (see unit guidelines)
<ul style="list-style-type: none"> • Salaried Pay, no timesheets 	<ul style="list-style-type: none"> • Salaried Pay with required time tracking timesheets
<ul style="list-style-type: none"> • Bi-weekly or Monthly Pay 	<ul style="list-style-type: none"> • Bi-weekly or Monthly Pay with overtime paid bi-weekly
No Change for Accrual schedule	<ul style="list-style-type: none"> • No Change for Accrual schedule
<ul style="list-style-type: none"> • No Change to Notice Rights 	<ul style="list-style-type: none"> • No Change to Notice Rights

Questions

Please contact your university FLSA contacts:

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References

- [Fair Labor Standards Act \(FLSA\)](#)
- [Overtime Rounding Schedule](#)
- [CS Leave Accrual Schedules](#) (Salaried non-exempt employees remain on Schedule B)

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