December \_\_\_, 2019

Dear [Employee Name],

In accordance with University Academic Policy (Academic Personnel Manual Section 137 (“APM-137”)), this is to notify you of a change in your appointment status as «Title», Step <<Step>>. Specifically, as the result of a change in the federal Fair Labor Standards Act (“FLSA”) regulations, your position will be re-classified from exempt to non-exempt and overtime-eligible effective December 29, 2019. You will be paid by the hour for each hour you work, and you will receive your paycheck on a biweekly basis. You will also be eligible for overtime for any hours worked over 40 in a workweek.

The FLSA regulates whether an employee is overtime-eligible or overtime-exempt. Most employees covered by the FLSA must be paid the minimum wage and premium pay for any hours they work beyond 40 in a workweek. Currently, employees who are classified as overtime-exempt must earn at least $455 per week. However, beginning January 1, 2020, the FLSA requires that an employee earn at least $684 per week, or $35,568 per year to be classified as exempt.

In response to this new overtime rule, the University of California has reviewed your position and salary, and has determined that your position will need to be classified as non-exempt/overtime-eligible. As a non-exempt/overtime-eligible employee, you will be asked to track and record all hours worked, and you will receive overtime if you work more than 40 hours in a workweek. This change is being driven by the updated FLSA rules and has nothing to do with your performance or contributions to the University of California.

This change in your appointment status does not affect the following terms of your appointment:

1. The end date of your appointment is currently « Appt\_End\_Date». An appointment with an established ending date is self-terminating subject to the notice requirements of APM - 137.
2. Your total annual full-time salary rate is unchanged and will now be pro-rated and your hourly rate will be as follows: \_\_\_\_\_\_\_.
3. Your job title and job duties will not change.
4. The person to whom you report will not change.

If you have additional questions about your new overtime-eligible classification or biweekly pay frequency, please consult the Frequently Asked Questions [add link to FAQs] or contact [insert local contact].

Sincerely,
[Local contact]