



OFFICE OF THE VICE PROVOST -  
ACADEMIC PERSONNEL AND PROGRAMS

OFFICE OF THE PRESIDENT  
1111 Franklin Street, 10<sup>th</sup> Floor  
Oakland, California 94607-5200

May 20, 2024

EXECUTIVE VICE CHANCELLORS/PROVOSTS  
VICE PROVOSTS/VICE CHANCELLORS FOR ACADEMIC AFFAIRS/PERSONNEL

Dear Colleagues:

The United States Department of Labor (DOL) has issued revised regulations regarding the federal Fair Labor Standards Act (FLSA). The revisions include increasing the minimum salary threshold for overtime-exempt employees and adding a mechanism that will allow for periodic updating of the minimum salary threshold. The DOL will implement the salary threshold increase in tiers. Effective July 1, 2024, the minimum salary threshold for overtime-exempt employees will increase from the current level of \$684 per week (equivalent to \$35,568 per year for a full-year employee) to \$844 per week (equivalent to \$43,888 per year for a full-year employee). Beginning on January 1, 2025, the minimum salary threshold for overtime-exempt employees will increase to \$1,128 per week (equivalent to \$58,656 per year for a full-year employee). Following the increase in the threshold that goes into effect on January 1, 2025, the threshold will be reset again on July 1, 2027 (and every three years after).

All faculty, including lecturers, as well as other teaching titles, will be unaffected by this rule no matter how much they earn because the minimum salary threshold does not apply to those who have the primary duty of teaching and imparting knowledge. Non-faculty, non-student academic appointees in research or administrative positions, however, must meet both the duties test and the salary test.

Pursuant to the revised overtime rule that takes effect on July 1, 2024, non-faculty, non-student academic appointees in research or administrative positions must receive a salary of at least \$844 in each week in which the appointee performs any work, regardless of the number of days or hours worked to qualify for the exemption under the FLSA. This means that in order to remain exempt, both full-time and part-time academic appointees must earn at least \$844 per week, effective July 1, 2024. Effective January 1, 2025, these appointees must earn at least \$1,128 per week to qualify for the FLSA exemption. Academic appointees who no longer meet both the new salary threshold and the duties test will need to be reclassified as non-exempt, overtime-eligible.

In order to comply with the new DOL rule, my office has developed a toolkit to support local implementation of the new FLSA regulations. The toolkit includes implementation guidance for AP Offices and a set of FAQs that provide more information to academic appointees about the new DOL rule and its implementation at the University of California. Each campus will be responsible for distributing the FAQs, whether they are posted online

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or included with letters to impacted employees. The toolkit also includes a template fact sheet for supervisors and managers, template communications to send to policy-covered and represented employees whose positions will be converted from exempt to non-exempt FLSA status, a sample application form for a vacation cash-out program, and guidelines for processing a vacation cash-out in UCPath. Systemwide Labor Relations is noticing the UAW and AFT and providing them with the template communications for represented employees. My office is developing percentage-of-effort calculators, which will identify for each impacted academic series, rank, and step, the minimum percentage of effort at which an appointee's earnings would be expected to meet or exceed the annual FLSA threshold. This tool will be distributed to Associate Vice Chancellors/Associate Vice Provosts of Academic Affairs/Academic Personnel once the 2024-25 salary scales are finalized.

Thank you for your assistance in implementing the changes resulting from the revisions in DOL regulations.

Sincerely,



Douglas Haynes  
Vice Provost  
Academic Personnel and Programs

Enclosures:

1. Implementation Guidance for AP Offices
2. FAQs for Academic Appointees
3. Template Fact Sheet for Supervisors-Managers
4. Template Communication to Policy-Covered Employees Converting to Non-Exempt Status on 7/1/24
5. Template Communication to Represented Employees Converting to Non-Exempt Status on 7/1/24
6. Template Communication to Policy-Covered Employees Converting to Non-Exempt Status on 1/1/25
7. Template Communication to Represented Employees Converting to Non-Exempt Status on 1/1/25
8. Sample Application Form for Vacation Cash-Out Program
9. Guidelines for Processing a Vacation Cash-Out in UCPath

cc: Provost and Executive Vice President Newman  
Senior Vice President and Chief Compliance Officer Bustamante  
Associate Vice Provost Lee  
Associate Vice President Henderson  
Associate Vice President Matella  
Assistant Vice Provosts/Assistant Vice Chancellors for Academic Affairs/Personnel  
Deputy General Counsel Woodall

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