

October 19, 2016

**DEANS, EXECUTIVE ASSOCIATE DEANS, ASSOCIATE DEANS, ASSISTANT DEANS, CHAIRS,
AND ACADEMIC PERSONNEL ANALYSTS**

Re: Department of Labor (DOL) new overtime rule

Dear Colleagues,

I write to update you and provide you with resources to support the University's implementation of the Department of Labor's new overtime rule and changes to overtime eligibility and pay schedules for many University staff and academic personnel. The revised rule is effective December 1, 2016 and increases the minimum salary threshold for exempt employees from \$455/week (approximately \$23,660/year) to \$913/week (approximately \$47,476/year). In addition, the DOL is mandating subsequent increases in the minimum salary threshold every three years, with the first increase occurring on January 1, 2020.

To comply with the DOL's new overtime rule, the University of California will take the following approach:

- (1) Junior Specialists will be reclassified as non-exempt;
- (2) the minimum salary for the assistant rank in the specialist series and coordinators of public programs will be raised to maintain their overtime-exempt status; and
- (3) all staff and academic personnel, including rehired retirees and part-time employees, who do not qualify for the professional teaching exemption and who earn less than \$913 per week, will be reclassified as non-exempt and paid on an hourly basis. This is because an employee must earn at least \$913 in each week in which they perform any work regardless of the numbers of days or hours worked to qualify for the exemption under the Fair Labor Standards Act (FLSA).

All of these changes need to be made in payroll no later than Monday, November 7, 2016 in order for our central team to override the FLSA status for these new non-exempt title codes. A couple of examples for this data entry have been provided on our website at:

http://academicaffairs.ucdavis.edu/local_resources/docs/DOL_2016_FLSA_Change/Payroll_Examples.pdf.

New and Revised Salary Scales

Related to these changes, you will find revised and new and revised salary scales on our website at: http://academicaffairs.ucdavis.edu/policies/compensation/DOL_2016_FLSA_Change/salary_scales.html. These new scales are all effective November 20, 2016. We have also provided salary scales for the %-time thresholds at which part-time academic personnel become non-exempt. These can be found at: http://academicaffairs.ucdavis.edu/policies/compensation/DOL_2016_FLSA_Change/percent_effort_threshold_calculations.html.

New and Revised Non-Exempt Title Codes

Seventy-nine (79) new academic non-exempt title codes and titles have been established for use in the following series: academic coordinators, academic administrators, professional researchers, postdoctoral scholars, specialist, project scientists, cooperative extension advisors (ANR), specialists in cooperative extension, coordinators of public programs, and librarians, as well as non-faculty recalls. Information regarding how postdoctoral scholars are affected by this change will be communicated from Graduate Studies. The new non-exempt title codes have a designation of NEX in the title name. In addition, effective December 1, 2016, campuses currently using Title Code 2740 to appoint clinical psychology interns (students who are engaging in 1,000 hours of clinical training during their fourth or fifth year of their PhD programs) will need to move these appointments to the new exempt Title Code 2715 – Clinical

Psychology Intern. The new title codes can be found on our website at:

http://academicaffairs.ucdavis.edu/policies/compensation/DOL_2016_FLSA_Change/title_codes.html. On this page, we have included a [“cross-over” chart](#) to assist with identifying the new title code for those academic personnel who are changing to non-exempt status.

Biweekly Transition Assistance Vacation Cash-out Application

Affected academic personnel will convert to non-exempt, overtime-eligible status, and there will be a change in the timing of their pay period from monthly to biweekly. Affected academic personnel will receive their first biweekly paycheck for the pay period November 20 through December 3, 2016 on December 14, 2016. To minimize possible financial hardship resulting from this transition, Executive Vice Chancellors/Provosts throughout the system endorsed a 2016 Transition Assistance Vacation Cash Out Program to allow a cash out of up to 80 hours of accrued vacation for those academic personnel who experience financial hardship as a result of their transition on November 20, 2016 from a monthly pay schedule to a biweekly pay schedule. The application form is available on our website at http://academicaffairs.ucdavis.edu/local_resources/docs/DOL_2016_FLSA_Change/Biweekly_Transition_Assistance_Vacation_Cash-out_Application_2016.pdf and must be submitted no later than **Tuesday, November 15, 2016, 5 p.m.**

Toolkit and Resources

All of the documents referenced throughout this document are available on our website in a toolkit at: http://academicaffairs.ucdavis.edu/policies/compensation/DOL_2016_FLSA_Change/index.html. In this toolkit, you will find the following on the [Implementation Documents](#) page:

- Powerpoint FLSA Pay Transition: This presentation can be used as an overview and for training on the changes.
- Academic Personnel Office Implementation Guidelines: This document addresses management of reclassification of academic personnel to non-exempt status.
- Academic Flowchart: This flowchart can be used to help determine whether an academic employee should be converted/hired as exempt or non-exempt.
- Sample Appointment Letters to Affected Academic Personnel re Overtime-Eligible Status: This template letter is to be used by departments and/or dean's office for communicating the change in status from exempt to non-exempt to affected employees. An estimated list of affected employees will be sent out from Academic Affairs to each dean's office.
- Supervisor-Manager Fact Sheet: This fact sheet is to be given to supervisors/managers who have employees converting from exempt to non-exempt. Please note there are fields that should be completed by the department within the document.
- FAQs re Nonexempt Biweekly Pay Transition for UC Staff and Academic Appointees: The FAQs should be shared with the employee with their new appointment letter, with copy to the supervisor if the supervisor is not the signature of the letter.
- Biweekly Transition Assistance Vacation Cash-out Application 2016: To minimize possible financial hardship resulting from this transition, Executive Vice Chancellors/Provosts throughout the system endorsed a 2016 Transition Assistance Vacation Cash Out Program to allow a cash out of up to 80 hours of accrued vacation for those academic personnel who experience financial hardship as a result of their transition on November 20, 2016 from a monthly pay schedule to a biweekly pay schedule.
- Payroll Example: System-wide Payroll has provided the following screenshots of the conversion from Exempt Assistant Specialist to Non-Exempt Assistant Specialist and Exempt Specialist to Non-Exempt Specialist.

Academic Affairs is partnering with Human Resources, Payroll, and Graduate Studies and offers the following listserv to which you may submit questions to this group: dol-help@ucdavis.edu. We will also be offering Office Hours during which a resource from each office will be available to answer questions. Information about the Office Hours will be distributed soon.

Thank you in advance for your support of these new processes. If you have any questions, comments or concerns, please do not hesitate to use the listserv mentioned above, or contact Kelly Anders, Director of Academic Personnel & Systems (kanders@ucdavis.edu, 530-754-8268), or Bobbie Lasky, Director of Academic Personnel & Compensation (rlasky@ucdavis.edu, 752-3050).

Sincerely,

Maureen L. Stanton
Vice Provost-- Academic Affairs
Distinguished Professor-- Evolution and Ecology

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