



OFFICE OF THE VICE PROVOST -
ACADEMIC PERSONNEL AND PROGRAMS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 11th Floor
Oakland, California 94607-5200

December 21, 2017

**EXECUTIVE VICE CHANCELLORS/PROVOSTS
VICE CHANCELLORS OF RESEARCH
DIRECTOR WITHERELL
VICE PRESIDENT HUMISTON**

Dear Colleagues:

We are writing to let you know that current non-faculty, non-student academic appointees in research or administrative positions (including postdoctoral scholars, specialists, academic coordinators, librarians, coordinators of public programs, professional researchers, cooperative extension advisors, academic administrators, and project scientists) who earn less than \$913/week (\$47,476/year) but more than \$455/week (\$23,660/year) will be reclassified back to exempt status, effective July 1, 2018. In addition, effective immediately, new appointees in the above titles will be classified as exempt status if they earn \$455/week (\$23,660/year) or more.

As you know, in 2016, the Department of Labor (DOL) indicated that it would be doubling the minimum salary threshold for Fair Labor Standards Act (FLSA) exempt employees from \$455/week (\$23,660/year) to \$913/week (\$47,476/year), effective December 1, 2016. In anticipation of the effective date of the proposed rule and in partnership with many offices on your campuses and units, the University reclassified non-faculty, non-student academic appointees earning less than \$913/week (\$47,476/year) to non-exempt hourly employees, effective November 20, 2016. However, just days before the new rule was to go into effect nationally, a judge granted a preliminary injunction preventing the new salary threshold from being implemented nationwide, which meant that the \$455/week (\$23,660/year) FLSA salary level remained in effect. Because the judge's order was a preliminary injunction, rather than a permanent ruling, it was unclear what would happen going forward and whether the \$913/week (\$47,476/year) would be reinstated. The University, therefore, did not reclassify the impacted individuals back to exempt status.

As of November 2017, the DOL under the current federal administration made it clear that the \$913/week (\$47,476/year) FLSA salary threshold is too high, and will not be supported or reinstated as the FLSA salary level. The FLSA salary level is, and will remain, \$455/week (\$23,660/year), unless further rulemaking is undertaken by the DOL. As a result, consistent with federal law, current non-faculty, non-student academic appointees who earn less than \$913/week (\$47,476/year) but more than \$455/week (\$23,660/year) will be reclassified to exempt status, effective July 1, 2018, and new non-faculty, non-student academic appointees will be classified as exempt from this point forward. The reclassified academic appointees will no longer have to

"punch a clock" or monitor their hours worked. This change will also allow for greater predictability in budgeting at your locations.

We selected the July 1, 2018 date because it is the only day in 2018 that the biweekly and monthly pay periods align such that employees reclassified on that date will not be inconvenienced during the conversion. In the new year, in collaboration with your campus and unit academic personnel offices, we will be developing and distributing FAQs that will help impacted employees understand why they are being reclassified and what, if any, impact reclassification will have on them. We will also provide guidelines for principal investigators/supervisors. In addition, systemwide Labor Relations provided notice to the unions representing the postdoctoral scholars and librarians of this change.

We will keep you updated with any new developments. In the meantime, if you have questions, you may contact your campus academic personnel office.

Sincerely,



Susan L. Carlson
Vice Provost
Academic Personnel and Programs

cc: President Napolitano
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Executive Vice President, Chief Operation Officer and Chief of Staff Nava
Chair White
Executive Vice President Stobo
Vice President Duckett
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