Graduate Studies – Postdoctoral Scholar Implementation Guidelines

Compliance with Department of Labor Increase in Minimum Salary Threshold: Salary Scale Increases and Reclassification to Non-exempt Academic Appointees

Salary Scale Increases for Full-Time Academic Appointees to Remain Exempt

As a result of collective bargaining, beginning on December 1, 2016, the bottom steps of the salary scales for Postdoctoral Scholars will be raised to above $3,956.34 per month (or $47,476 per year) so they can remain exempt. If the Postdoctoral Scholar is paid by grants and the PI cannot afford the salary increase, the PI may need your assistance to end the appointment early (layoff) or implement a reduction in time that might require the academic appointee to move from overtime exempt to non-exempt and overtime-eligible.

Reclassification to Non-Exempt: Part-Time Postdoctoral Scholars Below the DOL Salary Threshold

Beginning on November 20, 2016, certain Postdoctoral Scholars who are currently exempt from earning overtime will be reclassified as non-exempt because their earnings fall below the new Department of Labor overtime threshold of $913 per week (monthly exempt salaried employees must be paid at least $3,956.34 per month to remain exempt).

- The University must comply with the DOL rule by December 1, 2016.
- To facilitate a smooth transition, the University has chosen to implement the necessary measures to comply on November 20, 2016, which is the first day of a biweekly pay period.

These Implementation Guidelines are intended to assist with the transition from exempt to non-exempt status. If you have further questions, please contact Tracey Pereida, Academic Personnel Analyst – Graduate Studies, tgpereida@ucdavis.edu, 530-754-6447. New title codes have been issued for non-exempt Postdoctoral Scholars. Payroll guidelines and instructions regarding the new non-exempt title codes will be provided at a later date.

1. Appointees determined to be non-exempt:
   a. They must be appointed in the appropriate non-exempt version of their title effective November 20, 2016.
   b. New appointment letters must be issued and include the appropriate hourly rate of pay. See attached template.
   c. Their current monthly salaried appointments must be ended effective November 19, 2016.
   d. As of November 20, 2016, non-exempt appointees will be paid biweekly on an hourly basis. These appointees will receive their last monthly salaried basis partial paycheck on December 1 for work between November 1 through November 19.
      i. It is important that appointees review their personal budget situation, automatic bill pay, and deductions to plan for the biweekly pay conversion.
2. Appointees who will be classified as non-exempt and overtime eligible include all part-time Postdoctoral Scholars whose earnings fall below $913 per week. New non-exempt title codes and salary scales with the hourly rates will be issued for most impacted titles.

3. How to Determine FLSA Status:
   a. As mentioned above, all part-time postdoctoral scholars will be non-exempt and eligible for overtime as of November 20, 2016.
   b. Non-instructional appointees whose earnings fall below the threshold will be non-exempt.
   c. To help in determining if a part-time employee’s earnings are likely to fall below the threshold, please see the attached Excel workbook. This tool identifies for each affected step the minimum percentage of effort at which an appointee’s earnings would be expected to meet or exceed the annual threshold.
   d. Note that the FLSA salary threshold tests whether the appointee earns at least $913 per week. Therefore, annual pay rate and percentage of appointment are only general guides to determining FLSA status; actual regular earnings must also be monitored.
   e. Also note that other factors of an appointee’s employment may affect FLSA status, including whether the appointee holds multiple concurrent appointments in different titles, or receives a regular stipend that increases weekly earnings.

4. Appointees with fluctuating appointment percentages may be non-exempt.
   a. For an exempt appointee, temporary reductions in appointment at the employee’s request may not affect FLSA status; see FMLA instructions for further information.
   b. If an appointee’s percentage of time is reduced for funding reasons or other business reasons, this may trigger a switch to non-exempt status.
   c. Frequent shifts from exempt to non-exempt status are inadvisable; it is a great inconvenience to the appointee to shift from monthly to biweekly pay and back again, and it could jeopardize UC’s compliance with FLSA regulations.
      i. If available funding is expected to be insufficient to guarantee that an appointee will remain above $913 per week for the entire fiscal year, that appointee should be classified as non-exempt and overtime eligible.

5. Appointees on Leave
   a. Exempt appointees on leave are generally not required to be reclassified as non-exempt.
   b. Exempt appointees whose earnings fall below the threshold because they are on partial leave without pay may potentially retain their exempt status.

6. Multi-location appointments
   a. If an appointee holds concurrent appointments at more than one UC campus/location, then the appointee’s primary duties as well as earnings from both locations must be taken into account when determining FLSA status.

7. The teaching exception and split appointments
   a. Under the FLSA, a University employee can only have one FLSA status, overtime exempt or non-exempt/overtime eligible. In determining whether an employee with multiple appointments is exempt or non-exempt, the University must review the appointee’s primary duty for the University. Appointees with below-threshold earnings who hold part-time
research/administrative appointments and concurrent teaching appointments may be
classified as exempt or non-exempt, depending on the individual’s primary duty. For an 
employee to be designated as exempt, the appointee’s primary duty at the University 
should be the performance of exempt tasks.

8. Without salary appointments
   a. Generally, if the without salary appointee is not earning compensation from UC, they are 
      not considered an employee covered by the Fair Labor Standards Act.
   b. Holding a without salary teaching appointment does not by itself automatically mean that 
an appointee is exempt (per the FLSA teaching exception).
      i. An administrative/research appointee with below-threshold earnings will be 
         classified as non-exempt, even if they hold a WOS teaching appointment.

9. Advising PIs/Supervisors
   a. As hourly-paid employees, non-exempt appointees must record their time on a daily basis 
      and submit timesheets to report their hours for each biweekly pay period, and the 
      supervisor will be required to review and approve the hours reported every other week.
      i. Provide supervisors with the appropriate method of timekeeping, whether in 
electronic or paper format and review with them the expectations as to 
timekeeping and record retention.
   b. The work week is defined as Sunday through Saturday.
   c. Time worked as well as vacation leave and sick leave hours taken must be recorded in 
      increments of ¼ hour (15 minutes).
   d. Non-exempt appointees will be paid for all hours (and partial hours) worked.
   e. Overtime and time worked beyond appointment percentage.
      i. Part-time appointees who work more than their stated appointment percentage, 
         but less than 40 hours in a week, will receive pay for the extra hours (or partial 
         hours) worked at their straight-time hourly rate.
      ii. Postdoctoral Scholars with salaries above the minimum hourly rate for their 
         experience level shall have an hourly rate determined by dividing their annual rate 
         by 2,088 (the number of working hours in a year).
      iii. Postdoctoral Scholars must track their total number of hours they work on a daily 
         basis and provide the total number of hours they worked each day by the end of 
         each pay period utilizing local time-keeping practices. Postdoctoral Scholars shall be 
         paid on a biweekly pay cycle.
      iv. Overtime is actual time worked which exceeds forty (40) hours in a workweek and 
         must be reported. Postdoctoral Scholars who work more than 40 hours in any 
         given week must have advance written authorization from their supervisor.
      v. Postdoctoral Scholars who work more than 40 hours in a week shall only be eligible 
         for compensatory time off earned at the rate of time and one half (1 ½ X) for hours 
         actually worked in excess of 40 hours in a week.
   f. Other compensable time for non-exempt appointees includes:
i.  **Donning and Doffing.** Time spent changing into or out of protective clothing or engaging in special washing or cleaning procedures is considered time worked.

ii.  **Travel Time.** If the appointee does not have regular working hours, the supervisor will assign regular work hours for any workweek during which travel will occur for the purpose of identifying and tracking compensable travel time. The travel during the appointee’s regular working hours is considered time worked. Travel time outside of the assigned regular work hours is not time worked, unless actual work is performed during that time.  *See PX CBA.*

iii.  **Rest Breaks.** The University makes accommodation for breaks during the work day. Meal breaks are not considered compensable time (i.e., a lunch break should not be recorded as time worked).