2016 FLSA Update and Implementation Definitions

- **FLSA (Fair Labor Standards Act):** The federal law that establishes minimum wage, overtime pay eligibility and recordkeeping requirements for employees in the private sector and in federal, state and local governments. Under FLSA regulations, some employees are designated as exempt from overtime payments and recordkeeping regulations, and others are designated as non-exempt and are subject to overtime payments and recordkeeping regulations.
- **Exempt:** Employees who are excluded from regulations governing overtime payments and recordkeeping requirements.
- **Non-exempt:** Employees who are paid hourly and must record the hours they work. Non-exempt employees who work more than 40 hours in one workweek must be compensated, either through overtime pay or compensatory time.
- **Professional Non-exempt:** UA employees who moved from exempt to non-exempt status as a result of the updated 2016 FLSA regulations. These employees will continue to be paid monthly and will continue to receive the same retirement benefits and accrue annual and sick leave at the same rate they did when they were classified as exempt employees. However, they must now record all hours worked using UA e-Time. Professional non-exempt employees who work more than 40 hours in one workweek must be compensated, either through overtime pay or compensatory time.
- **Overtime:** Hours worked over 40 in one workweek by a non-exempt employee.
- **Overtime pay:** The practice of paying non-exempt employees one-and-one-half times their hourly pay for hours worked over 40 in one workweek. Hourly pay is determined by dividing annual base salary by annual regularly scheduled work hours.
- **Compensatory time (Comp time):** Overtime that is recorded as time off in lieu of payment for overtime hours worked. Compensatory time is accrued at the rate of one-and-one-half hours for each hour worked over 40 in one workweek.
- **Alternate scheduling:** Allows the supervisor to alter an employee’s start and finish times for days worked during the workweek.
- **Call-out:** Occurs when employees are called back to work after their regularly scheduled hours or on their days off.
- **One-and-a-half**: Also referred to as time-and-one-half. When professional non-exempt employees work more than 40 hours in one workweek, overtime pay is calculated at one-and-one-half times the employee’s hourly pay.
- **Hourly pay**: Determined by dividing annual base salary by annual regularly scheduled work hours.
- **Workweek**: A workweek is the unit of time used to determine wages due to employees. One workweek is defined as a regularly recurring period of 168 hours, which equates to seven consecutive 24-hour periods. UA’s workweek starts at 12 a.m. Sunday and ends at 11:59 p.m. Saturday.
- **Hours worked**: The FLSA requires overtime pay for hours worked over 40 in one workweek. When calculating overtime, UA’s overtime policy does not include annual leave, sick leave, jury duty, FMLA, etc.
- **Annual leave**: Also referred to as vacation.
- **Annual base salary**: Annual base salary is defined as pay for the employee’s primary position/job only. It does not include additional pay such as supplemental pay, second assignment pay, etc.