

To: Site Administrators, Finance/HR Staff, Principals, Pastors, & Program Directors
From: Office of Human Resources & Legal Services
Re: **FINAL Rule | FLSA Changes to Salary Threshold for Overtime Exemption - *effective January 1, 2020***

FLSA | Fair Labor Standards Act

1938 Law governing Minimum Wage, Overtime and Child Labor

Enacted following the great Depression; overtime regulations initially helped put more people to work.
Current Minimum Wage is \$7.25 / hour.

Who does it affect?

Employees who meet the standard and work for your Programs, Churches & Schools

Who is not subject to the law?

Teachers, Coaches, Ministers of the Church | nor Contracted Vendors on 1099's

- *Ministers may include Deacons, Church Musicians and Music Directors, DRE's, etc.*

Who will now be affected?

NEW Changes to Salary Threshold Requiring Overtime pay for some previously exempt Staff

Salaried Staff who fall below the required pay threshold of \$684/week or \$35,568/year; [previously \$455/week or \$23,600/year]

**Salary CAN be annualized for a 10 month staff member IF they still make the required \$684/ week for the months actually worked*

What is needed to meet the requirements?

- 1) 'Bump' salaries to **\$684/week | equivalent of \$35,568 / year** to maintain exemption from overtime
- 2) Convert to hourly staff-member or continue as salaried – tracking all hours worked as required
- 3) Pay 1.5 times their rate for time worked over 40 hours in weekly period, for BOTH hourly & salaried NON-exempt
- 4) Keep records of TIME WORKED for all 'non-exempt' staff on a per week basis
- 5) Legal requirement to preserve time records for at least 3 years

NOTE: School Staff may qualify for special exemption: *Administrators of Schools if at least at entrance salary of teachers*
[See Fact Sheet # 17-C](#)

When must all be in place?

JANUARY 1, 2020

Why do we care?

Matter of social justice for our staff; the right thing to do
Fines & penalties for failure to 1) *Keep accurate records* 2) *pay overtime when due*

What steps Office of Legal Services & Human Resources has taken to work with Parish/School Staff

- VISIT our ["Wage & Hour" resource area in HR Download](#) pages of Arch-NO website
 - [Links to Wage & Hour "Fact Sheets"](#) for easy reference
 - [SAMPLE Timesheets](#) as Template for locations to track hours worked
 - ["Understanding Pay & Overtime"](#) presentation to explain steps & timeline for compliance
 - [Revised & Updated FAQ's](#) online with specific examples of Locations/Entities within our Local Church
 - Memo to all Exec Directors, Principals, Pastors & Office Administrators re/ Change

Memo to all Archdiocesan Staff re/ January 1, 2020 Changes

HR Open House for Site Administrators / *General overview of HR Processes*

HR "Confession Sessions" HR Process training for Site Administrators / *General overview of overtime exemptions*

Further Recommendations?

Make sure you are displaying required Legal Poster/s
Categorize all positions as Exempt / Non-Exempt
Update job descriptions to include primary duties
COMMUNICATE with staff
Monitor non-exempt time
Flex schedules to hold to 40 hours, or pay overtime if above
Illegal to 'waive right' to overtime
VOLUNTEERS! Duties other than 'day job' for Parish / School | [Sign 'Volunteer' form](#)

JANUARY 1, 2020: "Go Live"! *Changes are effective for the payroll which includes this date.*

All non-exempt, whether salaried or hourly must be recording time worked each week & paid overtime if over 40 hours.