

FLSA Frequently Asked Questions (FAQs) Updated 12/1/2016

RIT values our employees and is committed to providing a work environment that is inclusive and compliant with all laws and regulations. We communicated that a recent federal court injunction has temporarily stopped the implementation of changes to the exempt salary threshold in the Fair Labor Standards Act (FLSA). As further information is provided, we will respond accordingly to ensure that RIT remains in compliance with applicable federal and state laws. We will provide additional updates on this topic as more information becomes available.

The following frequently asked questions provide additional information on this topic. This information will also be posted to the HR website.

I don't understand what is happening regarding this law. What are the next steps from a legal perspective?

The Federal Court in Texas issued a temporary injunction. That temporary injunction prevents the U.S. Department of Labor (DOL) from enforcing its new regulations. These new regulations required an increase to the minimum salary needed to be exempt from the provisions of the Fair Labor Standard Act (FLSA). The next step is for the court to determine if the new FLSA regulations violate federal law. If the federal court determines that the new regulations violate federal law then the DOL will be permanently prevented from enforcing them. At that time, the DOL can appeal the decision. Until all appeals have been resolved, or until the DOL determines that it will no longer appeal the decision of the federal court, the new FLSA regulations will not be enforced. The decision to appeal or accept the decision of the federal court will most likely be made by the administration of the new president elect. We will provide additional information on this topic as it becomes available.

If the change in the FLSA regulations is approved at a later date, will it be retroactive to December 1?

It is rare for a legal decision to be applied retroactively. In all likelihood, if the FLSA regulations are deemed to not be in violation of federal law, the DOL will identify a new future date for enforcement.

If an employee requested a cash advance to bridge the transition from semi-monthly to bi-weekly pay because they were to be moved from exempt to non-exempt, will that automatically be cancelled now?

Yes, the Payroll office will reach out to the employees who requested a cash advance to confirm the advance is cancelled at this time.

Why did RIT put the changes on hold?

The reason for the change was a change in the law. The law is now on hold, therefore our response is on hold. We understand that this is difficult news for some employees, but all employees need to be considered when making a decision of this nature.

Did the FLSA requirements cause other issues within RIT?

Yes, the salary increases would have caused compression issues within the university. Compression occurs when someone new (or someone who has less experience) in a role is paid close to or the same as someone who has been performing the role for a number of years. The hold allows the university to take a more planned approach in addressing any salary concerns, consistent with our standard compensation processes, without creating compression issues within organizations.

How will the money that was intended for this action be allocated?

RIT primarily relies on tuition dollars to fund its operating budget. Unfortunately, the university did not meet the anticipated enrollment numbers for our current fiscal year. As a result, we are experiencing a negative gap in our budget. Because the initial requirement was compliance based, we determined that we would need to increase our budget closure activities to meet needs of this program. The hold has simply reduced the size of our negative gap and has not provided any “additional funds” to the university. Spring enrollment numbers may provide additional tuition dollars to assist us in closing our gap. If additional budget dollars become available, the university will review the opportunity for a market adjustment program for those employees with significant gaps to market and appropriate performance levels.

Can employees who were impacted by the hold make a change in their benefits for 2017 even though the open enrollment period has ended?

Yes, this can be done by completing a [Benefits Enrollment/Change Form](#) and returning it to Human Resources no later than Thursday, December 8, 2016.