

On November 22, 2016, a U.S. District Court judge from Texas issued a preliminary injunction postponing the effective date (December 1) of the U.S. Department of Labor (DOL)'s overtime rule.

We have recently communicated with employees affected by recent changes in the Federal Labor Standards Act (FLSA) "overtime rule", specifically regarding increasing the minimum salary threshold of exempt level employees to \$47,476. These communications included changes in exemption status (from overtime ineligible to overtime eligible) or increases to base salary and were based on the expectation of implementing the new rules on December 1.

**Due to the injunction, we will not be implementing the new rule and will not be making any changes to overtime eligibility status or increasing employee salaries to the new minimum threshold at this time.** We will provide further information after we have the opportunity to review this situation with the Chancellor, his Cabinet, the Office of Legal Affairs, and UNC General Administration.

Employees who expected to begin documenting their time will not be required to do so until further notice. If you have any questions, please contact the following individuals:

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Please keep in mind that in addition to a minimum salary threshold, there is also a "duties test" that is conducted to determine if the position responsibilities meet the criteria established for FLSA exempt level positions. The above injunction regarding the salary test does not impact a position that does not satisfy the "duties test" regardless of the employee's salary. However, any proposed changes in regards to the duties test will be suspended pending further discussion.