



UNIVERSITY SYSTEM
OF GEORGIA

2025 FLSA Final Rule

Frequently Asked Questions

1. What is the final ruling for 2025 FLSA guidelines:

The final rule includes the following:

- Increases the standard salary level threshold for executive, administrative, and professional employee exemptions; from \$43,888 annually to \$58,656 on January 1, 2025. (Keep in mind that teaching professionals are exempt from this rule).
- Increases the salary threshold for the highly compensated employee exemption from \$132,964 annually to \$151,164 beginning January 1, 2025.
- Adopts a mechanism to update the earnings thresholds every 3 years starting July 1, 2027.

Additional FAQs regarding the final rule may be found on the U.S. Department of Labor's website: <https://www.dol.gov/agencies/whd/overtime/rulemaking/faqs#overview1>.

2. When will the transition take place for employees moving from exempt to non-exempt status?

The transition for phase II will be completed by January 1, 2025.

3. How will the transition impact employees' monthly paychecks?

Affected employees who are paid monthly will be moved to biweekly.

4. What steps need to be taken to prepare for the transition?

Employees: Refer to knowledge article USGKB0012811 FLSA Final Rule Information and Knowledge Articles for Employees (ESS Reference).

https://usg.servicenow.com/usqsp?id=kb_article_view&sysparm_article=USGKB0012811

Managers: Refer to knowledge article USGKB0012799 FLSA Final Rule Information and Knowledge Articles for Managers (MSS Reference).

https://usg.servicenow.com/usqsp?id=kb_article_view&sysparm_article=USGKB0012799

Practitioners: Refer to knowledge article USGKB0012810 FLSA Final Rule Information and Knowledge Articles for Practitioners (PRA Reference). https://usg.servicenow.com/usqsp?id=kb_article_view&sysparm_article=USGKB0012810



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5. How will I identify our impacted employees?

You will run a query to identify your institution’s list of impacted employees. The query name is BOR_HR_EXEMPT_COMP_LESS_THAN. The query prompts for the threshold amount, which is \$58,656 for January 1, 2025.

6. Who do I reach out to for questions related to employees’ new classification?

Refer to knowledge article USGKB0011600 Master BCAT (Job Classification) List (PRA Reference) to review business classifications.
https://usg.servicenow.com/usgsp?id=kb_article_view&sysparm_article=USGKB0011600

Reach out to your institution’s Chief Human Resources Officer (CHRO) for additional questions related to reviewing job classifications and duties.

7. When do the data changes flow to Alight and then back to the general deduction page?

The HRID file (changes file) is sent to Alight every night except on the weekends. The changes, effective January 1, 2025, will flow to Alight on Wednesday, January 1.

The PIF will load the changes on January 6, which is the first day of biweekly payroll processing.

Note to Practitioners: Be sure to review general deductions on January 6 and work with your local payroll department if adjustments are needed.

8. How should other data changes that are effective January 1, 2025 be entered?

Do not enter any additional changes until after all FLSA data has been sent to Alight on the HRID file, which will be on January 1. Any additional updates may be made on or after January 2.

9. How will my pay and benefit deductions be processed during the transition during December 2024 and January 2025?

Pay Date	Earnings Period	Pay Amount	Benefit Deductions
Dec 31	Dec 1-31	Normal Full Month Payment	Full Benefit Premiums
Jan 10	Dec 22- Jan 4	Prorated/Partial Payment (Jan 1-4)	*Half Benefit Premiums
Jan 24	Jan 5-18	Normal Biweekly Payment	Half Benefit Premiums

*If there are insufficient earnings on your January 10 paycheck to cover the full cost of your benefit premiums, the remaining deduction amounts will be deducted automatically from your January 24 paycheck.



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10. Does the final rule change or impact employee’s duties tests?

No. The final rule does not change or impact the executive, administrative and professional employee’s duties tests. Workers earning more than the salary threshold are still subject to the duties test to determine overtime eligibility.

11. How will the new FLSA changes impact teachers?

The standard salary level increase in this Final Rule will not affect the overtime eligibility of bona fide teachers. Teachers continue to be exempt from the overtime provisions if their primary duty is teaching, tutoring, instructing, or lecturing in the activity of imparting knowledge, and if they are employed and engaged in this activity as a teacher in an educational establishment. § 541.303

- **Coaches.** Athletic coaches and assistant coaches may qualify for the Teaching exemption if their primary duty is teaching (including instructing athletes in how to perform their sport) as opposed to recruiting students to play sports or performing manual labor.
- **Graduate Students.** Graduate students whose primary duty is teaching or serving as a teaching assistant fall under the FLSA’s teaching exemption.
- **Postdoctoral Scholars.** Postdoctoral scholars who have the primary duty of teaching will fall under the teaching exemption. Those who do not have a primary duty of teaching are not considered bona fide teachers; these employees would meet the duties test for the learned professional exemption and would be subject to the salary basis and salary level tests. Those who do not teach or meet the professional exemption may be eligible for overtime.

12. How will the new FLSA changes impact Graduate and undergraduate students?

Students who are engaged in research under a faculty member’s supervision in the course of obtaining a degree and students who are participants in a bona fide educational program and who serve as resident advisors in exchange for reduced room and board charges or tuition credit are not considered to be in an employment relationship with the institution and are not entitled to overtime.

13. How will the new FLSA changes impact Academic Administrative Personnel?

Academic Administrative Personnel are subject to the salary basis requirements which may be met if their salary equals or exceeds the entrance salary for teachers in the educational establishment by which [they are] employed.” See special provision §541.204(a)(1). Academic administrative personnel subject to the exemption include department heads, principals, superintendents, and other employees with similar responsibilities.



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14. How will the new FLSA changes impact Non-Academic Administrative Employees?

Non-Academic Administrative Employees who do not meet the special provisions for academic administrative employees (i.e., admission counselors and recruiters), will be eligible for overtime if they earn below the salary level set in the final rule and they work more than 40 hours in a week.

15. Am I required to provide cash payments for overtime hours?

No. Public higher education institutions whose employees are treated as state employees under state law may provide their employees compensatory time (at a rate of one-and-one-half hours for each overtime hour worked) instead of cash payments for overtime hours. Reference: Human Resources Administrative Practices Manual on Work Week and Overtime.

16. How should employee records with Multiple Components of Pay (MCOP) be processed?

Non-exempt employees should not be set up with MCOP. When they are transitioned from exempt to non-exempt, the MCOP pay rate line will need to be removed.

SSC will be monitoring impacted employees who currently have MCOP and will communicate the recommended setup for supplemental payments via the FLSA ServiceNow tickets.

17. If an employee's primary job changes from exempt to non-exempt and they are also teaching a class at night, how should this be entered in the system?

The primary position should be updated in the system to non-exempt. The teaching position should be entered on a separate secondary record. Keep in mind that the job responsibilities for both positions should be evaluated together to confirm that the employee's FLSA status should be non-exempt. If so, remember that any hours worked over 40 will need to be compensated at time and a half.

18. What options will be available to lessen the financial impact of this transition?

The University will provide an opportunity for employees to cash out up to forty-eight (48) accrued hours of annual leave (which will be referred to as Vacation Cash Out). The vacation cash outs may be issued on January 10, 2025 or January 24, 2025.



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19. What is a Vacation Cash Out?

A Vacation Cash Out is a one-time opportunity for employees impacted by the biweekly transition to cash out up to forty-eight (48) hours of accrued annual leave. If an employee does not have forty-eight (48) hours of annual leave and requests a Vacation Cash Out, the employee will receive the number of accrued annual leave hours that are available. The Vacation Cash Out will only be paid in hour increments.

20. How do employees request a Vacation Cash Out? Where is this request submitted so the hours can be processed?

Employees should complete the Vacation Cash Out Request Form and submit it to the institution's designated department.

21. An employee's FLSA exemption changed because the salary was below the new minimum FLSA salary threshold of \$58,656. Does this mean that the FLSA exemption will change to exempt once the salary reaches \$58,656?

Not necessarily. A duties test should be completed on all positions with the same job code where an employee's salary falls below the threshold. If it is determined that the classification does not pass the FLSA duties test for exemption, all positions with the same classification within that institution should be moved to a non-exempt status.

22. How will the pay schedule change affect employees' paychecks?

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23. Will the change in pay frequency affect employees' annual and sick accruals?

No. They will receive the same amount of accruals.



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24. Will the change in pay frequency affect employees' retirement selections?

No. All current employees will remain in their selected retirement plan.

25. How will employees report their hours after they are transitioned from exempt to nonexempt?

All hours (hours worked, annual leave, sick leave, compensatory time, and overtime) are recorded daily in the OneUSG Connect Time & Labor module.

Non-exempt employees must approve their time in the OneUSG Connect Time & Labor module, adhering to the University System of Georgia payroll deadlines.

Refer to USGKB0012811 FLSA Final Rule Information and Knowledge Articles for Employees (ESS Reference) for links to job aids.

https://usg.servicenow.com/usgsp?id=kb_article_view&sysparm_article=USGKB0012811

26. How will the change in FLSA status impact managers?

Managers will need to approve non-exempt employee timesheets on a biweekly basis in the OneUSG Connect Time & Labor module.

Refer to USGKB0012799 FLSA Final Rule Information and Knowledge Articles for Managers (MSS Reference) for links to job aids.

https://usg.servicenow.com/usgsp?id=kb_article_view&sysparm_article=USGKB0012799

27. What if a retroactive transaction is needed for an effective date prior to the FLSA status change?

If a retroactive transaction is processed for an employee who moved from exempt to non-exempt, and the transaction is effective when the employee was exempt, proceed with caution. Communicate the retro with your payroll practitioner so HR and Payroll can review any implications and ensure the compensation is correct.