



HR Update

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Taylor County CSCD

FLSA FINAL OVERTIME REGULATIONS

- ▶ March 2014 - Presidential Memorandum
- ▶ July 2015 - Notice of Proposed Rulemaking
- ▶ May 23, 2016 - Final Rule Published
- ▶ December 1, 2016 - Final Rule Effective Date
- ▶ Future Automatic Updates occur every 3 years starting January 1, 2020

FLSA FINAL OVERTIME REGULATIONS

- ▶ Current salary level is \$455/week or \$23,660/annually
- ▶ New salary level is \$913/week or \$47,476 annually
- ▶ New salary is equal to the 40th percentile of weekly earning of full-time salaried workers in the lowest-wage Census Region
- ▶ No change to the ‘duties’ test

PROPOSED - vs - FINAL

	Current regulations (2004 until effective date of Final Rule, 2016)	NPRM	Final Rule
Salary Level	\$455 weekly	\$970 weekly (if finalized as proposed) 40th percentile of full-time salaried workers nationally.	\$913 weekly 40th percentile of full-time salaried workers in the lowest-wage Census region (currently the South)
HCE Total Annual Compensation Level	\$100,000 annually	\$122,148 90th percentile of full-time salaried workers nationally	\$134,004 90th percentile of full-time salaried workers nationally
Automatic Adjusting	None	Annually, with requests for comment on a CPI or percentile basis	Every 3 years, maintaining the standard salary level at the 40th percentile of full-time salaried workers in the lowest-wage Census region, and the HCE total annual compensation level at the 90th percentile of full-time salaried workers nationally.
Bonuses	No provision to count nondiscretionary bonuses and commissions toward the standard salary level	Request for comment on counting nondiscretionary bonuses and commissions toward standard salary level	Up to 10% of standard salary level can come from non-discretionary bonuses, incentive payments, and commissions, paid at least quarterly.
Standard Duties Test	See WHD Fact Sheet #17A for a description of EAP duties.	No specific changes proposed to the standard duties test. Request for comment on whether the duties tests are working as intended.	No changes to the standard duties test.

DUTIES TEST - EXECUTIVE

- ▶ The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
- ▶ The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
- ▶ The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.

DUTIES TEST - ADMINISTRATIVE

- ▶ The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
- ▶ The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.



DUTIES TEST - LEARNED PROFESSIONAL

- ▶ The employee's primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment
- ▶ The advanced knowledge must be in a field of science or learning
- ▶ The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.

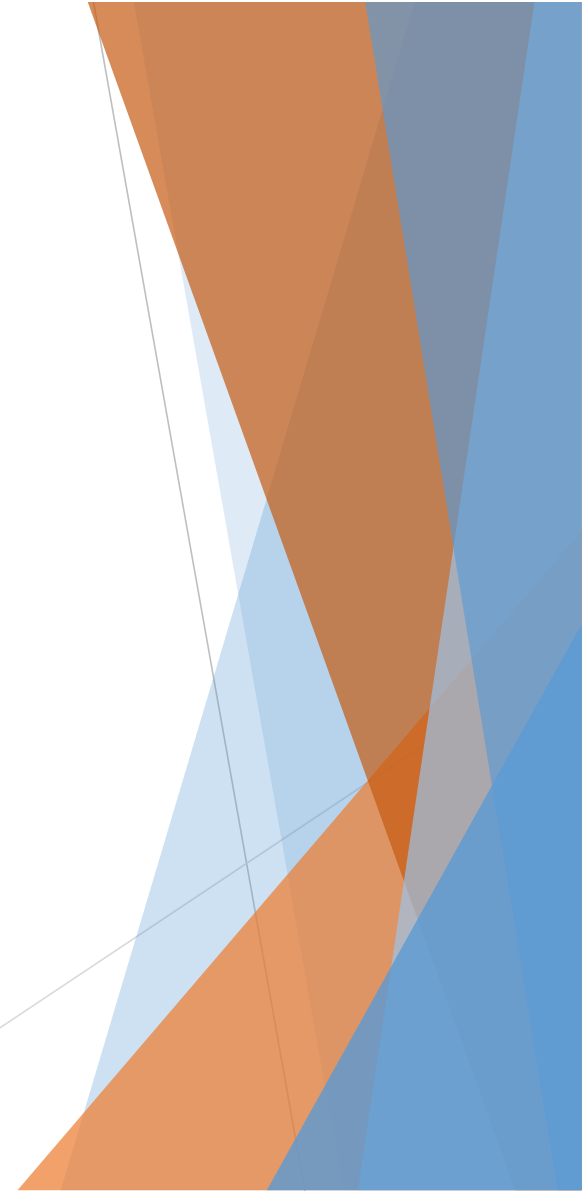
DUTIES TEST - COMPUTER

- ▶ The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below;
- ▶ The employee's primary duty must consist of:
 - 1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;
 - 2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
 - 3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
 - 4) A combination of the aforementioned duties, the performance of which requires the same level of skills.

FLSA FINAL OVERTIME REGULATIONS

The following workers will NOT be impacted:

- ▶ Hourly workers
- ▶ Workers with regular workweeks of 40 hours or fewer
- ▶ Workers who fail the duties test



FLSA FINAL OVERTIME REGULATIONS

Current exempt employees who meet the standard 'duties' test, who make more than \$23,660/annually but less than \$47,476/annually:

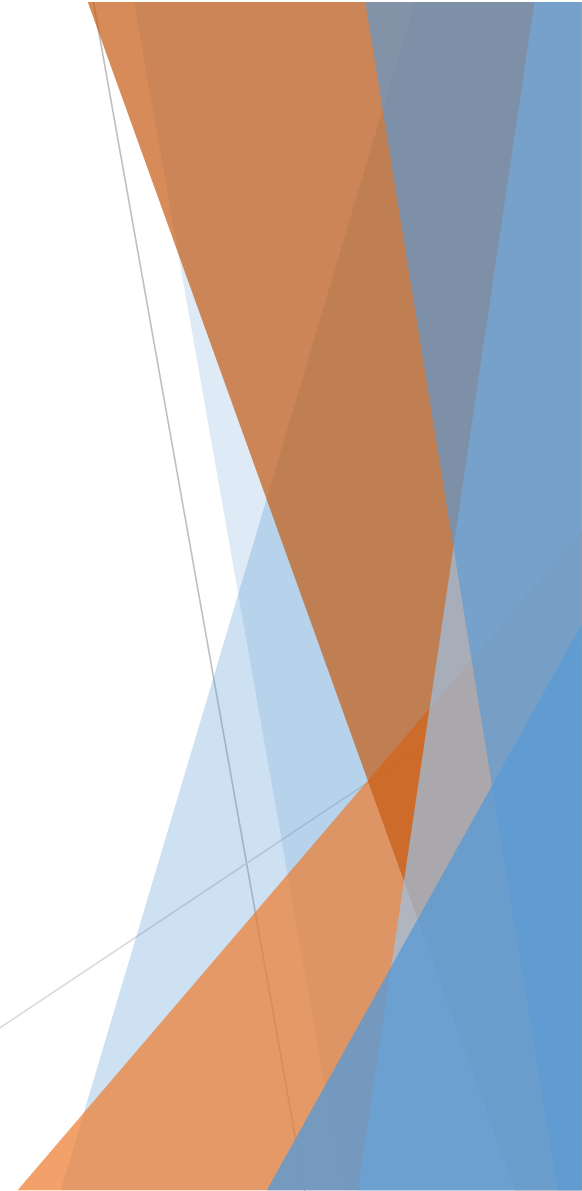
- ▶ Become eligible for overtime (comp time)
- ▶ Must keep time records



FLSA FINAL OVERTIME REGULATIONS

HOW TO COMPLY

- ▶ Raise Salaries
- ▶ Pay overtime or provide comp time above a salary
- ▶ Evaluate and realign employee workload



TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

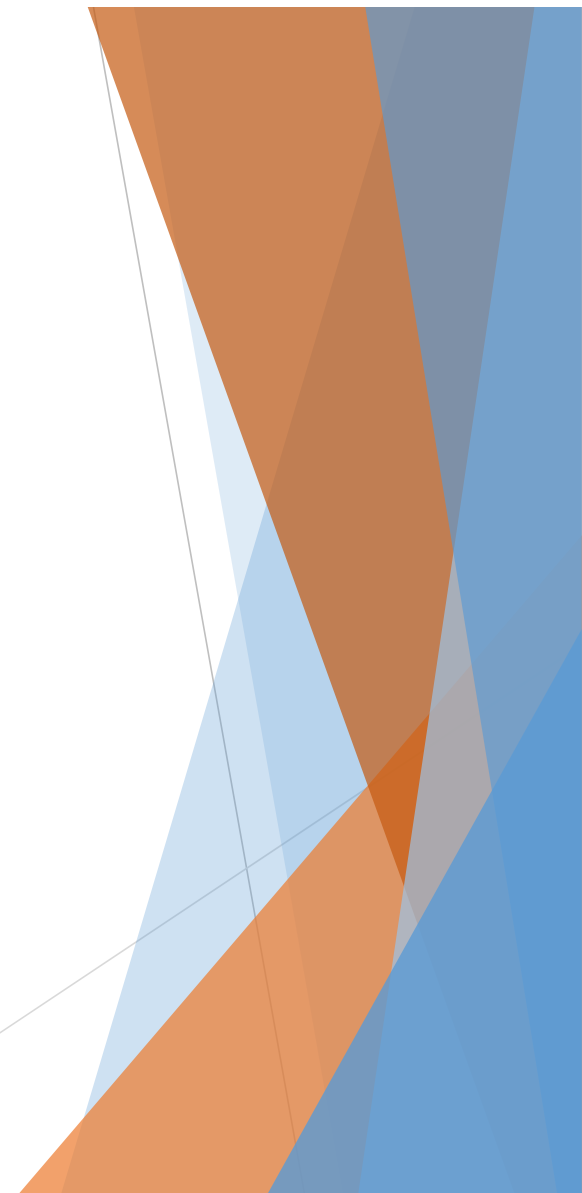
CHANGE IN ANNUITY PURCHASE RATES

- ▶ Annuity purchase rates convert employee savings into a lifetime monthly benefit
- ▶ Current annuity purchase rates were adopted 30 years ago when the average lifespan was shorter than it is today

IMPACT OF CHANGE

- ▶ Only affects deposits and interest made after January 1, 2018
- ▶ Will have no impact on employer matching rates
- ▶ Accounts will continue to receive 7% compound interest every year
- ▶ Not necessary to retire before January 1, 2018
- ▶ No impact on retirees
- ▶ Very minimal impact on those nearing retirement

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM



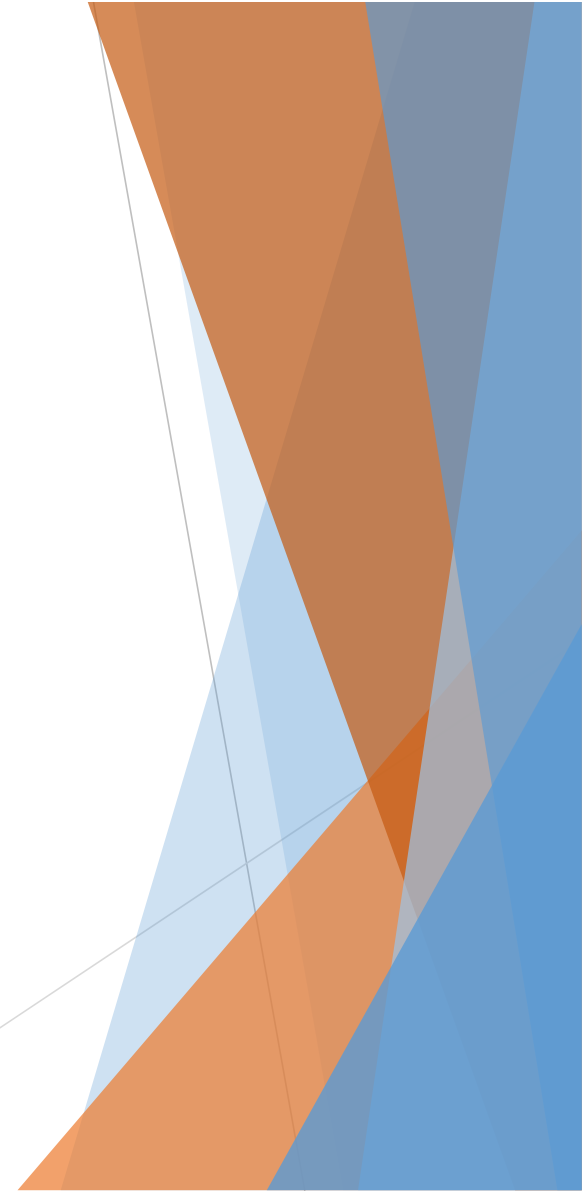
EMPLOYEES RETIREMENT SYSTEM OF TEXAS

PLAN YEAR 2017 CHANGES

- ▶ Consumer Directed Health Select
- ▶ Vision Insurance

ANNUAL ENROLLMENT

- ▶ Phase IV - July 31 through August 12, 2016
- ▶ Salary Changes



CONTACT INFORMATION

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