FLSA Compliance Training for JHU Non-Exempt Staff

A communication to help facilitate compliance with FLSA and JHU Policy
Compliance Challenges

- Complying with the Fair Labor Standards Act (FLSA)
  - We must pay overtime to non-exempt employees in a timely and accurate fashion.
  - Managers must review and approve hours worked to ensure timely payment.

- Federal requirement regarding charging cost of vacation leave taken by employees paid from sponsored funds.

- Tracking hours worked in the e210 system is built around monthly instead of weekly time entry; is not integrated with SAP, so calculation of overtime is not done automatically; this introduces errors and delays in processing appropriate payments/reductions in pay.

- Enforcing and making staff aware of JHU policy on submitting time for non-exempt employees. Policy can be found at: [http://hrnt.jhu.edu/policy/appendices/sectionQ.cfm](http://hrnt.jhu.edu/policy/appendices/sectionQ.cfm)
Appendix Q: Personnel Time Record Electronic 210

The Electronic 210 is the official university time record. It is used to document time worked, paid and unpaid leaves, holidays, and vacation and sick leave accrued, etc. Non-exempt employees must record the actual hours worked on a weekly basis by the Wednesday of the following workweek. Managers and supervisors must review the entries of non-exempt employees on a weekly basis for accuracy and completeness. Managers and supervisors should approve all E-210’s on a monthly basis.
Our response
Overview - New Weekly Procedures
Non-Exempt Employees & Timekeepers/Supervisors

- **Non-Exempt Employees**
  - Submit E210 following each work week.
  - Submission can be Friday or later; must be by Wednesday of the following week.

- **Timekeepers and Supervisors**
  - Ensure non-exempt employees submit timesheets following each work week.
  - Review non-exempt employee timesheets each week.
  - Do not approve the month until the final week is submitted by the employee.
  - **Review E210 Overtime report** to determine overtime earned the previous week.
  - Process ISRs (overtime or reductions in pay) by appropriate ISR due date as necessary.

- **E210 email activity**
  - Email sent Mon/Wed evening reminding non-exempt employees to submit previous week’s timesheets.
  - Supervisors copied on Wednesday emails.
  - If you have questions, reply to original email or use keyword **non-exempt** in subject line to receive priority.
Rounding Rules

- Acceptable so long as it does not, over a period of time, improperly compensate the employee for time worked.

- Round start and stop time to the nearest quarter hour using standard rounding principles.
  - 15 minutes increments are entered into E210 as:
    - 0.25, 0.5, 0.75

- May not round standard hours (e.g., 5.6 hours per day for working a 28 hour work week).

- Schedule should reflect same format (i.e., 37.5 hours, 28 hours or 31.25 hours per week.)
Reporting enhancements
Non-Exempt Reporting Suite

Overview

- In order to facilitate weekly non-exempt time entry, a **Non-Exempt Reporting Area** containing new and revised reports has been added.
- This area provides managers with an area to review non-exempt timesheets on a weekly basis.
- Master Data is downloaded from SAP weekly (was semi-monthly).
- The Overtime report and its interface has been enhanced.
Non-Exempt Reporting Suite
Selection Screen

Electronic 210 Form

Non-Exempt Reporting Suite (Excludes Bargaining Unit)
1. Submission Status Report
2. OT Report
3. Missing Supervisors Report
4. Employees On Hold Report
5. Schedule Discrepancy Report
Submission Status Report

Overview

- This is a new report that shows each non-exempt employee's last submission date for a selected month.

- The report is sorted by submission date and home dept.

- The supervisor/timekeeper may see who has not submitted time for the week and link directly to that person's timesheet or send them an email.

- The supervisor/timekeeper will also be able to tell who submitted timesheets in advance.
Submission Status Report Selection

Department Timekeeper View

Submission Status Report

Select Department(s) or Division(s)

(use the Ctrl or Shift key to select multiple departments)

U8801 - Finance Admin T1
U8802 - Finance Admin T2

Show submission dates for month of

November 2015

Get Report
## Submission Status Report

**Example: Week Ending November 1, 2015**

### Work Weeks
- **Oct 26 – Nov 01**: Week begins in October. Both months must be submitted.
- **Nov 02 – Nov 06**: Week extends into December. Both months must be submitted.

### E-210 Submission Status Report (Non-Exempt Only)

**Selected Month: Nov 2015**

### Run OT Report

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Sub Area</th>
<th>Name</th>
<th>Personnel No.</th>
<th>November Submit Date</th>
<th>On Hold</th>
<th>Send Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>U8801</td>
<td>U005</td>
<td></td>
<td>136207</td>
<td>Oct 28, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U8801</td>
<td>U005</td>
<td></td>
<td>13907</td>
<td>Oct 30, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U8801</td>
<td>U005</td>
<td></td>
<td>15874</td>
<td>Nov 02, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U8801</td>
<td>U005</td>
<td></td>
<td>8909</td>
<td>Nov 02, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U8801</td>
<td>U005</td>
<td></td>
<td>169893</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U8801</td>
<td>U009</td>
<td></td>
<td>26894</td>
<td>Nov 02, 2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Overtime Report

Key Changes

- The Overtime report has been upgraded to add a drop down box for all departments the user is assigned.
- The report dates will default to the current week end and will include the last 6 weeks.
- The report can now be printed in PDF so it can be emailed if desired.
- A log of who runs the OT report and when will be kept for future reporting.
- A message will appear when the overtime report yields no records.
- When a week spans 2 months, there is a reminder to submit both months.
Overtime Defined

- Overtime hours are all hours worked above and beyond those normally scheduled.
  - Only actual hours worked are counted towards OT calculation.
  - All types of leave are excluded from OT calculation (e.g., vacation, holiday, sick leave, personal day, bereavement leave).
- Standard overtime: total hours worked exceed scheduled hours but less than 40 in a workweek. Pay at standard/base rate.
- Premium overtime: total hours worked exceed 40 in a workweek. Pay at 1.5 times standard/base rate unless other FLSA earnings are paid during the same workweek, then use regular rate.
- Overtime compensation must be paid no later than the next pay period following the pay period when overtime hours were worked.
Things to Remember

- All overtime must be paid regardless of departmental budget issues or absence of supervisor approval.
- Even if not approved, OT should be paid.
- E210 should not be completed in advance.
- Each workweek stands alone.
  - Overtime calculation – Monday 12:01 a.m. through midnight Sunday
  - OT premium (1.5 times) for hours worked over 40 in a week
- Averaging of two workweeks is not allowed.
- Non-exempt employees must complete E210 weekly.
- Supervisors must review the E210s of non-exempt employees weekly & submit overtime payment within the next pay period.
Entering Overtime

- Manually change the hours worked on the day that additional hours were worked.
- This applies to all non-exempt employees – even those working less than full time hours.
Entering Overtime on an Unscheduled Day

- Employee’s work schedule is Monday to Friday, 7.5 hours/day, 37.5 hrs/week but worked 10 hours on the 17th (Saturday).
- Enter the number of hours worked and choose the X code.
Entering Overtime Hours during a Week Where Leave Was Taken

- Employee’s work schedule is Monday to Friday, 7.5 hours/day, 37.5 hours/week.
- **Aug. 8-14:** 7.5 vacation on 8/10, worked 10 hours on 8/12
- **Aug. 22-28:** 7.5 sick on 8/26, worked 10 hours Monday through Thursday and 4 hours on Saturday

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**Remember: Vacation leave is not included in calculating OT.**

7.5 vacation should not be counted towards hours worked. Total hours worked is 32.5 hours (not 40). Employee is entitled to 2.5 hours of standard overtime pay.

**Remember: Sick leave is not included in calculating OT.**

7.5 sick leave should not be counted towards hours worked. Total hours worked is 44 hours (not 51.5). Employee is entitled to 4 hours of premium overtime pay and 10 hours of standard overtime pay.
Entering Overtime Hours during a Holiday Week

- July 4-10: Employee’s work schedule is Monday to Friday, 8 hours/day, 40 hours/week. Worked 2 hours overtime on 7/5. Employee did not work on 7/4 holiday.

Remember: Holiday is not included in calculating OT.
8 hours holiday should not be counted towards hours worked. Total hours worked is 34 hours (not 42). Employee is entitled to 2 hours of standard overtime pay.
Entering Overtime Hours during a Holiday Week

July 4-10

- Total hours recorded = 42 hrs
- Total hours worked = total hours recorded - non-working hours
  = 42 hrs - 8 hrs holiday leave = 34 hours
- Total overtime pay = total hours recorded - standard work schedule
  = 42 hrs - 40 hrs = 2 hours overtime pay
- Because the employee worked a total of 34 hours, the 2 hours of overtime pay is paid as standard overtime.
Select Department(s) or Division(s)

(use the Ctrl or Shift key to select multiple departments)

U8801 - Finance Admin T1
U8802 - Finance Admin T2

Select or Enter Date Range

Weeks run from Monday to Sunday.
The entered date range must include the full week for the week to be included in the report.
Weeks which span months must be fully submitted or they will not be included in the report.

Oct 26 - Nov 01, 2015

From 10 / 26 / 2015
To 11 / 01 / 2015

Get Report
# Overtime Report

## Example Output

**Sort By:** Department **Export To:** PDF

### E-210 Overtime Report (Excludes Bargaining Unit)

**Date Range:** 10/26/2015 - 11/01/2015

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Sub Area</th>
<th>Name</th>
<th>Fennr</th>
<th>Month Submitted Date</th>
<th>Form Status</th>
<th>Week-Ending</th>
<th>Scheduled Total Hours</th>
<th>Total Hours Recorded</th>
<th>Total Hours Worked (X)</th>
<th>Leave &amp; (H2) Hours Exempt from FLSA</th>
<th>Premium OT</th>
<th>Premium OT W/2054</th>
<th>Premium OT NON-Holiday Worked W/2054</th>
<th>Premium OT Holiday Worked W/2054</th>
<th>Process ISR By</th>
</tr>
</thead>
<tbody>
<tr>
<td>U8001</td>
<td>U005</td>
<td></td>
<td>15074</td>
<td>11/02/15</td>
<td>S</td>
<td>11/01/15</td>
<td>37.5</td>
<td>42.5</td>
<td>42.5</td>
<td>0</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>11/03/15</td>
</tr>
<tr>
<td>U8001</td>
<td>U005</td>
<td></td>
<td>8000</td>
<td>11/02/15</td>
<td>S</td>
<td>11/01/15</td>
<td>37.5</td>
<td>42.5</td>
<td>42.5</td>
<td>0</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>11/03/15</td>
</tr>
</tbody>
</table>

Please process an ISR(s) for the above employees. If you are not the person charged with processing the ISR, please print and send this report to that person.

[Back to Report Selection]
E-210 Overtime Report (Excludes Bargaining Unit)

Date Range 10/26/2015 - 11/01/2015

There are no employees with overtime for the given period.

If you have not done so, please confirm that the month(s) for the given period has been submitted for all non-exempt employees for whom you are responsible.
Nonstandard Work Weeks

- Supervisors and their employees may arrange an alternative work schedule.
- A holiday is always equivalent to an employee’s standard day (total hours worked divided by 5) regardless of the type of schedule the employee works (normal or nonstandard).
- In order to get full pay during a holiday week, *non-exempt* employees who work alternative schedules may:
  - Use other leave time to supplement holiday hours, or
  - Revert back to normal schedule during holiday week.
- No special arrangements in schedule need to be made for exempt employees
- Please note that leave usage is based on the total number of hours scheduled on a given day. Therefore, more than a full day of leave will be charged if an employee uses 10 hours of leave but is scheduled to work 40 hours per week.

Human Resources is available to assist in developing alternative work schedules.
Nonstandard Work Weeks with Holiday Hours

- Here is an example where a non-exempt employee charges more holiday hours than entitled. DO NOT DO THIS.
Nonstandard Work Weeks with Holiday Hours – cont’d

- The employee’s schedule can be reverted back to a normal schedule during the holiday week:

<table>
<thead>
<tr>
<th>Fiscal Year July 2011 - June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong> Luke Example2</td>
</tr>
<tr>
<td><strong>Hire Date:</strong> 06/30/2011</td>
</tr>
<tr>
<td><strong>Scheduled:</strong> MTWT</td>
</tr>
<tr>
<td><strong>Personnel No:</strong> 99999992</td>
</tr>
<tr>
<td><strong>Jshed ID:</strong> jshedex02</td>
</tr>
<tr>
<td><strong>Hours/Day:</strong> 16.0</td>
</tr>
<tr>
<td><strong>Elig Date:</strong> 07/01/2011</td>
</tr>
<tr>
<td><strong>Hours/Week:</strong> 40.0</td>
</tr>
<tr>
<td><strong>Title:</strong> Example</td>
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<tr>
<td><strong>Dept:</strong> U2110</td>
</tr>
<tr>
<td><strong>Employee Group:</strong> 1 - Full-time</td>
</tr>
<tr>
<td><strong>Personnel Area:</strong> UN10 -- University Administration</td>
</tr>
<tr>
<td><strong>Supervisor:</strong> Rose Super</td>
</tr>
<tr>
<td><strong>FLSA:</strong> N</td>
</tr>
<tr>
<td><strong>Personnel Sub Area:</strong> U005 -- Staff Administrative</td>
</tr>
<tr>
<td><strong>Vacation Limit:</strong> 25 Days</td>
</tr>
<tr>
<td><strong>Hours/Holiday:</strong> 8.0 Hours</td>
</tr>
<tr>
<td><strong>Floats Used:</strong> 0 Days</td>
</tr>
</tbody>
</table>

To change this 210 form click on the submit button of the appropriate month.
Nonstandard Work Weeks with Holiday Hours - cont’d

Or additional hours above and beyond what employee is entitled to for holiday compensation must be coded as vacation or leave without pay:
Reduced Schedule

- Working less than 37.5, 40 or 35 hours per week (depending upon campus)
- Is managed like a nonstandard week
- Holiday leave is pro-rated for non-exempt employees
  - Standard hours divided by 5.
- Vacation and sick accrual is pro-rated
  - Weekly scheduled hours divided by maximum hours for that classification (ie 37.5/40)
- Leave is charged based on the number of hours scheduled on that day

<table>
<thead>
<tr>
<th>Fiscal Year July 2016 - June 2017</th>
<th>&lt;&lt; Prior Year</th>
<th>Next Year &gt;&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personnel No:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Title:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dept:</strong></td>
<td>E0308</td>
<td></td>
</tr>
<tr>
<td><strong>Supervisor:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fiscal Year July 2016 - June 2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hire Date:</strong></td>
<td>06/18/2014</td>
<td></td>
</tr>
<tr>
<td><strong>Jshed ID:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Elig Date:</strong></td>
<td>03/04/2015</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Group:</strong></td>
<td>2 - Part-time</td>
<td></td>
</tr>
<tr>
<td><strong>FLSA:</strong></td>
<td>N</td>
<td></td>
</tr>
<tr>
<td><strong>Scheduled:</strong></td>
<td>MTWT</td>
<td></td>
</tr>
<tr>
<td><strong>Hours/Day:</strong></td>
<td>Varies</td>
<td></td>
</tr>
<tr>
<td><strong>Hours/Week:</strong></td>
<td>27.5</td>
<td></td>
</tr>
<tr>
<td><strong>Personnel Area:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personnel Sub Area:</strong></td>
<td>U005 -- Staff Administrative</td>
<td></td>
</tr>
<tr>
<td><strong>Vacation Limit:</strong></td>
<td>22 Days</td>
<td></td>
</tr>
<tr>
<td><strong>Hours/Holiday:</strong></td>
<td>5.5 Hours</td>
<td></td>
</tr>
<tr>
<td><strong>Floats Used:</strong></td>
<td>0 Days</td>
<td></td>
</tr>
</tbody>
</table>
Reducing Pay

- Codes beginning or ending with W entered into the E210 must be followed up with the appropriate ISR.
  - Salary is not automatically reduced.

- Utilize the salary adjustment section of the Bonus/Supplemental ISR to reduce pay when accrued leave is not available and leave is intermittent or does not exceed 5 consecutive days.

- If leave does not meet this criteria, please submit a leave of absence without pay ISR.
  - For more information on how to submit leave of absence ISRs, please contact Human Resources.
Reducing Pay - cont'd

- Salary of exempt employees may only be reduced for the following reasons as per JHU Policy:
  - One or more full days for personal reasons when accrued vacation leave is not available
  - Absences of one or more full days occasioned by sickness or disability when accrued leave is not available
  - Offset for fees received when on temporary military leave
  - Unpaid disciplinary suspensions for one or more full days
  - Unpaid leave under the Family and Medical Leave Act
Missing/Terminated Supervisors Report

- A copy of the Missing/Terminated Supervisors Reports has been added to the Non-Exempt reporting module.

- This is the same report from the REPORTs section but will only produce results for non-exempt staff.

- Contains a link to the individual or department admin options.
Supervisor Missing Report

Select Department(s) or Division(s)
(use the Ctrl or Shift key to select multiple departments)

- US801 - Finance Admin T1
- US802 - Finance Admin T2

Employee Type  Non-Exempt

Get Report
### Missing Supervisors Report

#### E-210 Form: Employee's Missing a Supervisor Report

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Employee Name</th>
<th>Pernr</th>
</tr>
</thead>
<tbody>
<tr>
<td>U8802</td>
<td>[Redacted]</td>
<td>27095</td>
</tr>
</tbody>
</table>

1 records

[Back to Report Selection]
Employees On Hold Report and Schedule Discrepancy Report

- Employees on Hold report
  - Use this report to verify who should be on hold and remove individuals on hold as appropriate (i.e., returning from leave, etc.).

- Schedule Discrepancy report
  - Utilize this report to verify schedule matches total hours worked; otherwise, e210 cannot be submitted.
  - Contact Central HR if you need master data temporarily overridden in the e210 system (i.e., employee group, total hours worked, status).
Timely Processing of Hours for Casual/Limited Staff and Students

- ACA Compliance
- FLSA applies to these individuals as well
- CATS should accurately reflect hours worked which will generate regular and overtime pay as applicable
Final Thoughts...

- Compliance with FLSA and JHU Policy is everyone’s responsibility
- Familiarize staff, supervisors/managers with the policy
- Run overtime reports to ensure overtime is paid timely and accurately
- Be sure that we are entering time for or casual/limited and student employees in CATs timely and accurately
- Please inform all of your non exempt employees of the weekly procedures and that they will start receiving email notifications on (date determined by each school) to remind them to submit their timesheets on a weekly basis.
Resources

HR Business Services
HRBusinessServices@jhu.edu; 443-997-2157