The University of Wisconsin System
Administrative Policy # 1253 (formerly HR4)

Title: FLSA Designation

Original Issuance Date: July 1, 2015
Last Revision Date: ~~April 2, 2018~~July xx, 2025

1. Policy Purpose

The purpose of this policy is to provide guidance on the categorization of UW System employees as exempt or nonexempt under the Fair Labor Standards Act (FLSA).

2. Responsible UW System Officer

Associate Vice President and Chief Human Resources Officer

3. Scope and Institutional Responsibilities

This policy applies to all UW System institutions and the UW System Administration, except for UW-Madison.

~~4~~2. ~~Policy~~ Background

Employees covered by the FLSA may be categorized as exempt from the minimum wage and overtime provisions of the laws if certain requirements are met. Exemptions are narrowly interpreted by the U.S. Department of Labor (DOL) and should be granted only when an employee clearly meets the requirements of the exemption. Nonexempt UW System employees must be paid an overtime premium of one-and-one-half the regular rate of pay for all hours worked in excess of 40 hours in a workweek or receive compensatory time for overtime hours worked.

Employees holding executive, administrative, professional, or certain computer-related positions are exempt from the minimum wage and overtime requirements. To qualify as exempt under any exemption, an employee must satisfy the following three tests:

- Have a salary above a certain dollar threshold;
- Be paid on a "salary basis;" and
- Perform duties that qualify for an exemption.

A summary and explanation of wage and hour laws and of the requirements of the FLSA exemptions may be found on the DOL website. Particularly useful is DOL's elaws Advisor, an interactive tool that asks questions and provides answers based on the responses given.

A determination of an employee's FLSA status requires consideration of the employee's actual job duties. In order to qualify for the executive exemption, the employee's primary duty must be managing an enterprise or a recognized department or subdivision; customarily and regularly directing the work of at least two FTEs; and having the authority to hire or fire, or to make suggestions or recommendations as to hiring or firing that are given "particular weight." In order to qualify for the administrative exemption the employee's primary duty must consist of the performance of work directly related to management policies or general business operations, which includes work requiring the exercise of discretion and independent judgment. In order to qualify for the professional exemption, the employee's primary duty must be to perform work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized instruction and study; to do original and creative work in an artistic field; or to teach, tutor, instruct or lecture at an educational establishment. In order to qualify for

the computer employee exemption, the employee must be employed as a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker in the computer field.

Effective July 1, 2015, the positions of exempt and nonexempt UW System employees were to be placed in different employee categories unless an incumbent FLSA exempt employee elected to have his or her position temporarily designated as a university staff position. Under the new university personnel systems, FLSA status is used as a criterion when positions are designated as either university staff or academic staff positions. This practice removes the subjectivity that existed prior to July 1, 2015, when similar jobs were sometimes placed in different employee categories.

5~~3~~. ~~Policy~~ Definitions

Please see SYS 1225, *General Terms and Definitions,* for a list of general terms and definitions.

Definitions specific to this policy:

Compensatory time: ~~means p~~Paid time off the job which is earned and accrued by an employee in lieu of immediate cash payment for employment in excess of the statutory hours for which overtime compensation is required by Section 7 of the FLSA.

Fair Labor Standards Act of 1938 (FLSA): ~~is a~~A Federal law, 29 U.S.C. 201 et seq. Among other things, it requires premium payment, or overtime, to employees of an organization who work in excess of forty hours in a week. The FLSA provides the necessary characteristics of a position exempted from overtime requirements.

Incumbent employee:~~,~~ Aa~~s~~ referred to in this policy, ~~means~~ any employee holding a classified FLSA exempt position on June 30, 2015.

Premium rate: ~~means t~~The straight rate plus .5 times the regular rate paid the employee.

6~~4~~. Policy Statement

It is the policy of the University of Wisconsin System to appropriately designate employees as FLSA exempt or nonexempt. Compliance with the FLSA requires periodic review of whether employees have been correctly designated as exempt or nonexempt.

7~~5~~. Related Documents

U.S. Department of Labor's overtime pay Fact Sheets provide information on the exemptions for executive, administrative, professional, and computer employees., and its E-Tools provide access to a collection of interactive online tools and presentations that address overtime pay requirements.

8~~6~~. Policy History

Revision 2: July xx, 2025
Revis~~ed~~ion 1: April 2, ~~04/02/~~2018
First Approved: July 1, 2015

9. Scheduled Review

July 2030