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Finance and Business Operations

To: Vice Presidents, Deans and Directors

From: William Decatur, Vice President for Finance and Business Operations,
Treasurer and Chief Financial Officer

Louis Lessem, Vice President and General Counsel

Subject: Fair Labor Standards Act – Injunction Barring Implementation & Enforcement

Date: November 30, 2016

As you may be aware, last week the United States District Court for the Eastern District of Texas issued a preliminary injunction to block changes to the Fair Labor Standards Act (FLSA) that were intended to take effect December 1. The injunction has nationwide effect. Among the changes were an increase to the salary threshold used to determine whether an employee is exempt from receiving overtime pay to \$47,476.

Over the past six months, the FLSA Committee has worked to identify and implement actions to comply with the new rules, which were issued last May and were set to go into effect on December 1, 2016. The preliminary injunction issued last week has made it impossible to proceed as intended.

As a result of the injunction, Wayne State is suspending implementation of all actions to comply with the December 1 FLSA overtime rules until the injunction is resolved. Salary increases to meet the revised threshold that were to be effective November 21st will be put on hold, and exempt employees who were to be transitioned to non-exempt status will not be converted until the legal challenge is resolved or further guidance from the courts is received.

Salary offers that have been made and accepted by new employees, will, of course, be honored. The University will not ask for repayment of wages already received by employees based on the earlier notification that he or she would be receiving a FLSA-related adjustment in his or her salary.

Human Resources will work with managers and supervisors to communicate this decision to all affected employees by the end of this week.

Thank you for your cooperation in this matter.