

Constituent Universities

Appalachian
State University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics

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November 28, 2016

MEMO TO: Chancellors

FROM: Matthew S. Brody, Vice President for Human Resources

SUBJECT: Update on Suspension of FLSA Overtime Changes –
Postdoctoral Scholars

In follow-up to my memorandum of November 23 and the related discussion at today's Chancellor's meeting at General Administration, I am providing an update to the previously issued guidance on the suspension of the FLSA overtime rule.

President Spellings has been advised by some of our Chancellors that they intended to implement salary adjustments for Postdoctoral Scholars regardless of whether or not the FLSA overtime rule was adopted. Therefore, after consultation with the President, it has been determined that any salary adjustment that may be in-process or implemented for Postdoctoral Scholars that was intended in whole or in part to address the FLSA rule change may still continue to be implemented as planned at the Chancellor's discretion.

We recommend that any institution that implements such adjustments explain that the adjustment is not related to the FLSA overtime rules, but is based on other appropriate compensation rationale (e.g. labor market, retention, etc.). If you choose to re-characterize the adjustment in this fashion, this fact should be clearly communicated to the impacted employees and their managers in a timely manner.

Regardless of the continued status of the FLSA overtime rule change, it is recognized that some of our institutions face significant recruitment and/or retention challenges for Postdoctoral Scholars and that other institutions for whom we compete for this talent will in all likelihood continue to implement salary improvements for these employees. For this reason, General Administration intends to preserve the flexibility you already enjoy to make compensation adjustments for these employees as your internal and external funding resources permit.

The remaining guidance that was issued on November 23 on this matter continues to be in effect. We will conduct our planned conference call with your Chief Human Resources Officer and General Counsel (including their designees and/or deputies) on Tuesday, November 29, 2016 from 9:00 A.M. to 10:00 A.M. At this time, we will discuss potential next steps on this issue for all of the other



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impacted employees and also offer relevant templates for communication to these individuals.

In the meantime, for any immediate or urgent questions, your Chief Human Resources Officer may still contact Jessica Moore in GA Human Resources and your General Counsel or Employment Attorney may contact Joanna Carey Cleveland in GA Legal Affairs.

Cc: President Margaret Spellings
GA Senior Officers
Chief Academic Officers
Chief Human Resources Officers
Chief Financial Officers
Chief Legal Officers/General Counsels
Chiefs of Staff