MEMORANDUM OF UNDERSTANDING between THE REGENTS OF THE UNIVERSITY OF MICHIGAN, THE MICHIGAN NURSES ASSOCIATION and THE UNIVERSITY OF MICHIGAN PROFESSIONAL NURSE COUNCIL

WHEREAS, effective December 1, 2016 regulations under the Fair Labor Standards Act ("FLSA") defining the exemption for executive, administrative, and professional ("EAP exemption") employees will change, wherein the minimum salary requirement will increase.

WHEREAS, the University and MNA/UMPNC have negotiated this Memorandum of Understanding in order to be compliant with the FLSA for employees in the exempt classifications within the Pay Grades of N3, N4, N5, N6, NP-4, whose appointment fractions cause them to not meet the minimum salary threshold requirement for the EAP exemption ("affected employees").

NOW THEREFORE, for mutually beneficial reasons, the parties agree as follows:

- 1. The affected employees' exemption status will be changed to "non-exempt."
- 2. Pay frequency for affected employees will be bi-weekly and employees will report all hours worked.
- 3. Affected employees in Pay Grades N4, N5, N6, NP-4 will be paid overtime at a rate of time and one-half $(1 \frac{1}{2})$ the employee's applicable hourly rate for hours worked greater than forty (40) in one workweek.
- 4. Reporting of PTO remain unchanged from the current agreement: affected employees will continue to report PTO hours in no less than one-half (1/2) day/shift increments.

All other terms contained in the collective bargaining agreement not specifically addressed in this Memorandum of Understanding shall remain in full force and effect.

For MNA:

For the University:

Michelle Sullivan Date Director of Labor Relations

For the MNA/UMPNC:

Katie Oppenheim, RN UMPNC Bargaining Chair

Date

Lori Pelham, RN

11/10/16 Date

Date Nursing Lead for Nursing Negotiations

Date

Mark Kemr ton Sr. Labor Relations Specialist

John Karebian MNA Executive Director