

Breaking News:

The New DOL Rules on Overtime Are Finally Here

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BREAKING NEWS

**DOL's New Overtime Rules will
Take Effect JANUARY 1, 2020**

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FLSA: Exempt v. Non-Exempt – THAT is the Question.

- While most employees are eligible for overtime pay, some employees are “exempt” from the FLSA overtime requirements
- The most common exemptions are for “white collar” workers – executive, administrative, professional, outside sales, and computer employees

To be considered exempt, employees must generally satisfy three tests:

1 Salary-level test

Currently, employers must pay employees at least \$455 per week (the minimum salary requirement) to qualify for the executive, administrative, and professional employee exemptions.

2 Salary-basis Test

With very limited exceptions, the employer must pay employees their full salary in any week they perform work, regardless of the quality or quantity of the work.

3 Duties Test

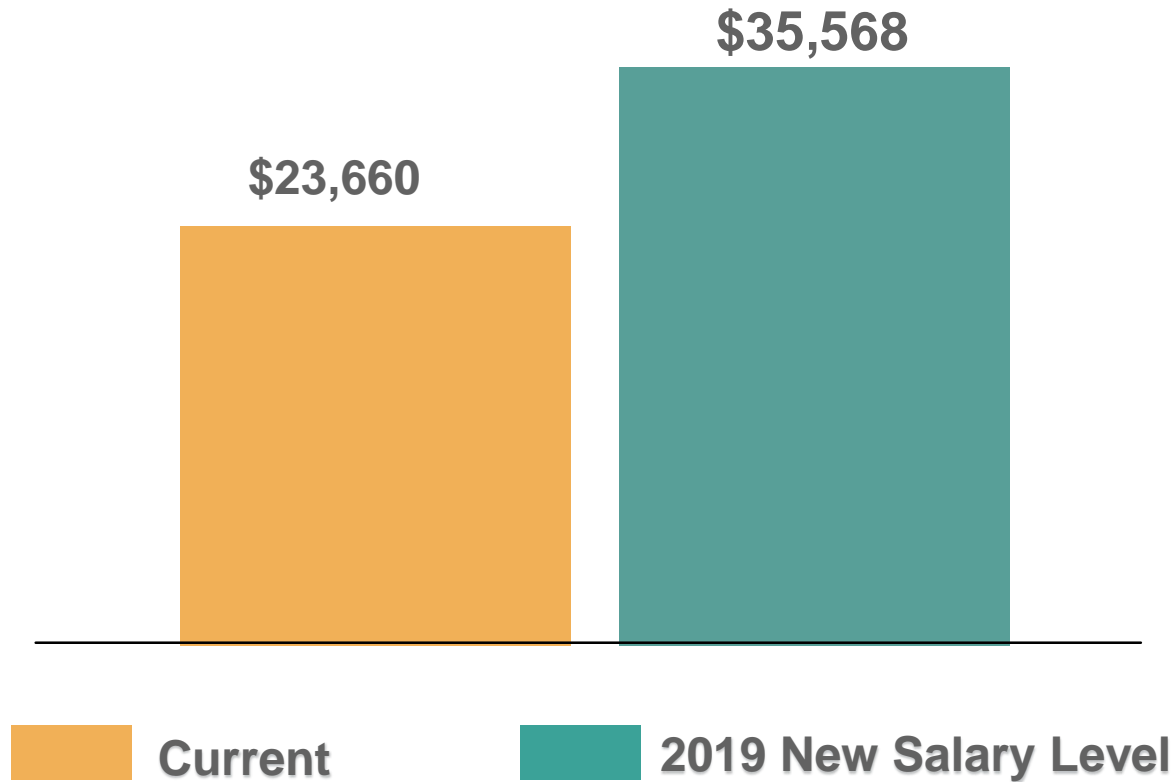
To qualify for an executive, administrative or professional exemption an employee must meet specific duties tests.

CHANGE #

Minimum Salary Level

(but don't forget salary basis & duties test!)

New Minimum Salary Level as of **JAN. 1**



Final Rule

- \$ 684 per week
- \$ 35,568 annualized

CHANGE #

The 10% Rule

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READY, SET, COMPLY: *Join Our Master Class – Oct. 7*

Up to 10% of the Minimum Salary May Be Commissions and Incentive Pay

Counted towards minimum salary

- All commissions
- Bonuses based on individual performance, productivity or hours worked
- Bonuses based on company performance
- Safety bonuses
- Retention bonuses

What happens if the annual bonus is short?

- Single pay period for make-up payment!
- If employees are paid even a \$1 less than required are owed overtime for the entire prior year.

CHANGE #

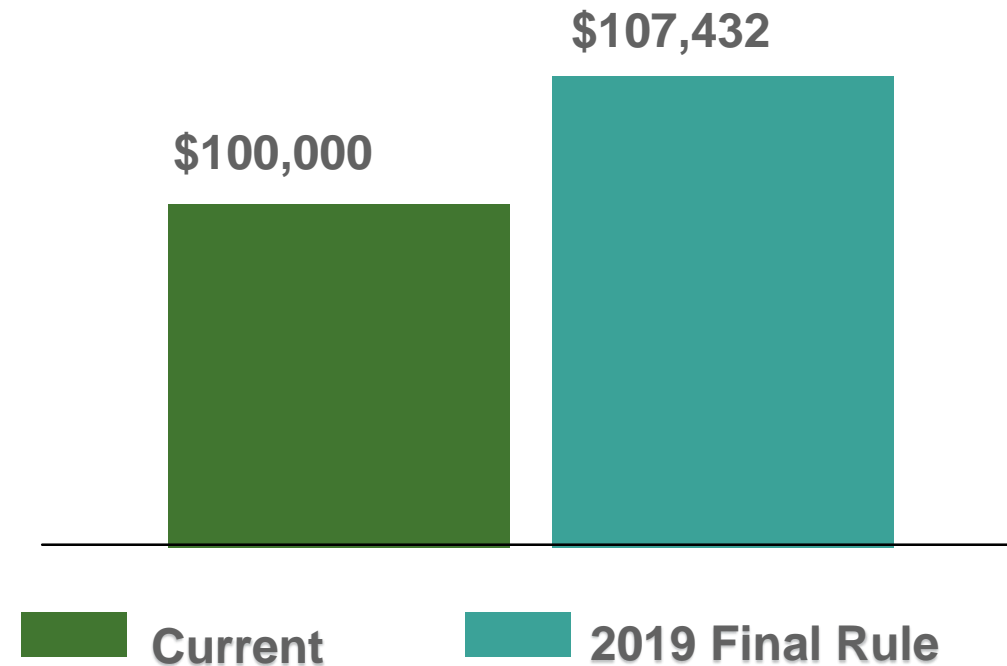
3 Highly Compensated Level

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Highly Compensated Level

- Total annual compensation of \$107,432
- Must include the minimum guaranteed weekly salary of \$684 (\$35,568 annualized)



CHANGE #

4 Automatic Increases

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No Automatic Increases

- DOL will not increase salary levels without notice and comment rulemaking



Complying with the New Rule



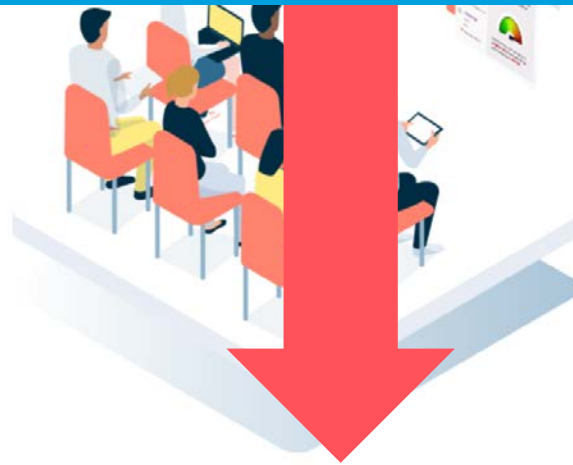
- You need to be in compliance by January 1, 2020 by increase salaries or reclassify employees to non-exempt
- **Join Our Masterclass on October 7**

PLEASE JOIN US!

MasterClass:

Auditing for Overtime Compliance
Monday, October 7, 2019 / 2-3:30 PM ET

Register at: [Compliancehr.com/masterclass](https://compliancehr.com/masterclass)



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