

HOW COMPANIES SHOULD PREPARE FOR THE DEPARTMENT OF LABOR'S OVERTIME PAY CHANGE

News

Jun 30, 2015

Mike Abcarian was quoted in the *Dallas Business Journal* on June 30, 2015. The article "How Companies Should Prepare for the Department of Labor's Overtime Pay Change" discussed the Department of Labor's recent proposition to increase the number of employees who would qualify for overtime pay.

Mike was quoted on the affects that this proposition could potentially have on employers.

Mike said although the changes may not affect employers until the end of this year or early in 2016, now is the time for preparations.

"The takeaway from this is that employers should certainly be looking at this carefully and start a planning process," he said.

Mike advised businesses to start calculating how much it would cost to continue operating exactly as they do now and the amount of overtime pay certain employees would earn without altering their regular schedule.

To keep an employee's exemption status, employers may have to double their salary. This could create a ripple effect within a business's expenses and it's necessary to determine what decisions would be most efficient, Mike said.

The minimum salary for overtime pay was last altered in 2004, when it was changed to \$455 a week.

"The consideration for modifying these regulations has been in the works for a while," Mike said.

He said the Department of Labor is requesting the threshold to be updated each year to reflect economic changes. The minimum salary has only been raised a handful of times in the last few decades.

"It's a pretty momentous change in regulation," Mike said.

To read the full article, please visit [*Dallas Business Journal*](#).