

Overtime Proposed Rule Will Result in 'Hard Choices' for Some Employers

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Joel Rice was quoted in *SHRM* on July 20, 2015. The article "Overtime Proposed Rule Will Result in 'Hard Choices' for Some Employers" discussed how employers will face many complicated operational issues as a result of the overtime proposed rule, issues they should consider well in advance of a final rule.

"Employers probably will strive with any changes to have a neutral cost structure," said Joel.

Policies could be set to discourage overtime, so that an employer could get to a neutral cost structure without cutting benefits, he said. For example, there could be policies requiring preapproval by management to work overtime. Overtime worked in violation of the policy must be paid, but an employee may be disciplined for such work.

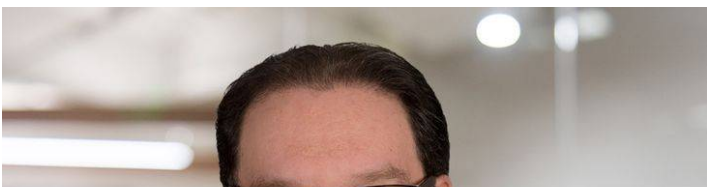
An employer may rely more on the fluctuating workweek method for calculating hours if work hours vary and if there is mutual agreement to use this more favorable method for employers, Joel suggested.

Another cost-saving measure might be to redesignate the workweek. The employer can't arbitrarily flip back and forth with the workweek, Joel cautioned. But the employer may discover that if it changes the workweek to Wednesday to Tuesday, for example, it will capture hours in a different way and be less likely to have overtime than if it stuck with a Sunday to Saturday workweek. An employer should give notice to employees if it's going to change its workweek, he noted.

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