

Insights, News & Events

NEW OT RULES TO HIT RETAIL, HOSPITALITY COS. HARDEST

News

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The article, "New OT Rules To Hit Retail, Hospitality Cos. Hardest," featured on *Law360*, reported on the unveiling of the U.S. Department of Labor's long-anticipated changes to the overtime exemption rule and its potential impact on the retail and hospitality industries.

David Buchsbaum weighed in on how the new rule will impact store and restaurant owners.

More so than their counterparts in other industries, store and restaurant owners will be scrambling in the coming months, David told *Law360*.

"Those industries tend to have a higher proportion of lower-paid management," said David.

"We start getting into white collar businesses, and you're looking at management, in many cases, they're already making at least \$50,000 a year in salary," he added.

"But when you're looking at fast food ... you have restaurant managers who may be making in the mid-30s ... well above the prior salary level of \$23,660 annually but far short of the new \$47,476."

And government projections bear out David's conjecture that the new rules will little affect white collar industries, at least relative to the current pool of exempt workers. The Labor Department said it expects nearly 2 million, or 30 percent of the 6.4 million exempt workers without a four-year degree, to become eligible while just 14 percent of the more than 16 million workers with bachelor's or advanced degrees will become eligible when the new rules take effect.

To read the full article, please visit [Law360](#).