



Hotel Execs Say New Overtime Rule Could Hurt Employees

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The article, “Hotel Execs Say New Overtime Rule Could Hurt Employees,” featured on *Hotel News Now*, addressed hotel executives concerns that the U.S. Department of Labor’s new overtime rule will have the opposite of the federal government’s intended effect.

Andria Ryan commented on what this new rule means for employers and employees in the hotel industry.

Many of those salaried employees who work at the mid-management level and have long hours will become eligible for overtime, said Andria. Employers now have to decide who they will pay more to pass the threshold and those who will remain eligible for overtime, she said.

The new rule did not make any changes to the duties test, which determines what type of employee is exempt from overtime based on job responsibilities, such as having a supervisory role over other employees.

Hotel employers will need to determine if they can modify their pay plans and working hours, Andria said. A client recently spoke with her about flex time for certain groups of employees, like sales managers, she said, that would keep them eligible for overtime but allow them to work from noon to 8 p.m.—when they might have more job responsibilities—than the typical 8:30 a.m. to 5:30 p.m. shift.

There are a number of creative pay plans out there, Ryan said, but a number of them receive strict scrutiny from the Department of Labor. Others aren’t accepted at all, she said, so it’s important employers fully vet any pay plan they want to use.

“Wage and hour [court] cases are dangerous,” Andria said. “When you’re doing it wrong, it’s not just with one person. If you get it wrong with one, you’re likely getting it wrong with many. That makes them ripe for the challenge.”

Ryan also recommended developing a communication plan for employers to get out in front of the federal government’s announcement. Employees will hear about this and could think they will get a raise starting 1 December, she said.

As employers ready themselves to roll out new pay plans, Andria said there will be two groups of employees: those who have to clock in and out and keep time records and the supervisors who are

now managing people who were previously exempt and didn't have to worry about overtime. Training is necessary for both groups.

"You have an assistant restaurant manager working 60 to 70 hours a week at peak times now overtime eligible," she said. "The manager has to pay more attention to an employee they never had to worry about before with that."

To read the full article, please visit [*Hotel News Now*](#).

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