



## Are You Ready for the New Overtime Rule?

News

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The article, “Are You Ready for the New Overtime Rule?” featured in *Cannabis Business Times*, provided details behind the new overtime rule’s higher salary threshold, how it will impact cannabis businesses and what employers need to do to prepare for it.

Alex Wheatley discussed who’s exempt from overtime pay, under the Department of Labor’s (DOL) Fair Labor Standards Act (FLSA) guidelines.

Alex said, “Under the DOL’s FLSA guidelines, “white-collar” employees who meet certain requirements are “exempt” from overtime (and minimum wage).”

“Generally speaking, to be exempt ... the employee must satisfy both a ‘duties test’ and a ‘salary test.’ Under the duties test, the employee must perform executive, administrative or professional duties,” explained Alex, “and each of those categories have their own requirements.”

The duties test did not change with the new overtime rule, he said. However, the salary test did.

“Many employers will find that employees they previously paid between \$23,660 and \$47,476 per year do meet the duties test, and they now have to either increase that employee’s salary to pass the salary test or convert that employee to a non-exempt employee and pay overtime,” Alex said.

He stressed that while the duties test did not change, the new overtime rule should “serve as a reminder to all employers to make sure that the employees they are treating as exempt do pass the duties test. Even if you pay someone \$90,000, if they do not meet the duties test, the employer must pay overtime,” Alex said.

There is another exemption, he noted, for “highly compensated employees” who make more than \$134,000 per year (which is an increase also imposed by these new regulations, up from \$100,000).

To read the full article, please visit [\*Cannabis Business Times\*](#).

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