



New Overtime Regulations Mean Stark Changes in Workplace

News

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The article, “New Overtime Regulations Mean Stark Changes in Workplace,” featured in the *SunHerald*, discussed how new regulations issued by the Department of Labor will make overtime pay mandatory for many salaried employees and has left some employers scrambling for clarification.

Steve Cupp explained exemptions under the new overtime regulations and options employers have to ensure they are in compliance with the new rules.

Steve said, “The exemptions will largely include workers considered to be part of “middle management.”

“Let’s say you work as an assistant manager at a nearby restaurant. You make \$30,000 a year in salary. Before the new regulation, it’s possible you worked 50, 60 hours a week. Now with the new rule, employers will have to determine a couple things,” he said. “First of all, they’ll have to consider raising your salary to the new federal threshold of \$47, 476 a year.”

“Looking along the Coast, we’re looking at middle management in the hotel, restaurant, retail and tourism industries. These areas will be most affected by the new regulation. These are workers that have a say in business decisions. Part of their job involves overseeing other employees, or functioning in a capacity the business depends on.”

Despite the changes, employers have several options, Steve said. He’s consulted with several Coast business owners already.

“I tell them the sky isn’t falling, first of all,” he said.

“Employers have several ways to deal with these new regulations. But the main thing I tell them is: Get ready. You don’t want to be scrambling at the last second. Make the change now and you’ll have four or five months to see how it’ll work.”

“The new regulations are coming and you don’t want to be caught at the last second trying to catch up.”

Employer options include raising qualified employees' salary to \$913 a week. Or they can transfer salaried employees to an hourly rate and pay the employee time-and-a-half for any hours over the 40-hour work week. Or they can keep an employee on salary but monitor their hours to make sure they don't work overtime.

And that's not all, Steve said.

"Employers can reduce the work week and make sure employees don't work over 40 hours. They'll have the option to renegotiate salaries, maybe bring them down a little bit. One other option to get around paying time-and-a-half is for employers to hire additional part-time employees to make up for expected overtime hours," he said.

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

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