

The Impact FLSA's Overhaul Has on Exempt Employees

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Mike Abcarian's article "The Impact FLSA's Overhaul Has on Exempt Employees" was featured in *Texas Lawyer* on March 23, 2015.

Any day now, the Department of Labor is expected to issue new rules proposing changes to the "white-collar" overtime pay exemptions under the Fair Labor Standards Act. The new rules likely will open the door for millions of employees to receive overtime pay as a result of a significant raise in the minimum salary required for employers to classify them exempt.

The new rules will undoubtedly result in greater expenses and possibly operational changes as employers struggle to deal with an increasing population of employees who must be provided overtime pay. When released, it is a virtual certainty that the proposed rules will impose a substantially higher minimum salary for valid application of the FLSA's administrative, executive, and professional exemptions. New requirements may also involve more stringent and detailed duties tests. If unprepared, employers may experience more than sticker shock when these changes take effect. One of the industries expected to take a hard hit is the retail industry, because it historically employs a substantial number of lower paid supervisors. As Texas ranks second for number of retail employees in the nation, our state is sure to feel the impact of the upcoming changes.

In the article, Mike discusses the current exemption requirements and the potential outcomes of implementing DOL's new rules.

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

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