Keeping An Eye On Likely Changes In Overtime Rules

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Sam Lillard's article "Keeping An Eye On Likely Changes In Overtime Rules" was featured in the Ohio Assisted Living Association's (OALA) January 2016 newsletter.

As you have likely heard, the Obama Administration and the U.S. Department of Labor (DOL) have teamed up to propose changes to the regulations governing which executive, administrative, and professional employees (i.e., white collar workers) are entitled to the Fair Labor Standards Act's minimum wage and overtime pay protections. These changes, which could become effective as early as August of 2016, target raising the minimum salary threshold for white collar workers to be considered exempt under the FLSA.

Currently, for a white collar worker to satisfy the exemption's salary threshold, that worker must receive a salary of at least $455 per week (or $23,660 per year). The proposed change would increase this minimum salary to $970 per week (or $50,440 per year). It would also raise the salary threshold for "highly compensated employees" from $100,000 per year to $122,148 per year. Assuming this change goes into effect as expected, many of your currently-exempt white collar workers who make less than $50,440 per year will all of the sudden become non-exempt and eligible for overtime pay.

In the article, Sam addresses the following topics:

- Which employees are NOT affected?
- What should you do?
- What should be the analytical "benchmarks"?
- When will this exemption change occur?

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