

Philadelphia Attorney Discusses U.S. Supreme Court's Overtime Exemption Ruling

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In an interview with *SHRM*, **Patrick Dalin** discusses a recent U.S. Supreme Court ruling that aims to clarify overtime exemptions under the Fair Labor Standards Act. The court ruled that a former employee who made more than \$200,000 a year was eligible for overtime pay because he was paid on a daily basis. He explains that although the employee was well paid, the court denied the employer the overtime exemption based on a very technical reading of the regulations.

In light of the ruling, Patrick says, "Employers should ensure that they pay all employees covered by the executive, administrative, and professional exemptions within the strict guidelines of the salary basis and salary level regulations." He also notes that employers should be careful not to paint outside the lines of the strict requirements of the wage and hour laws and regulations. "Even where an employer and its employees agree to a creative compensation arrangement, the employer can be subject to substantial back pay and liquidated damages liability if the arrangement does not comport with the law's strict requirements."

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Patrick M. Dalin Partner 610.230.6112 Email

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