



## USDOL Releases Details On Exemption Revisions

Insights

5.17.16

At long last, the U.S. Labor Department has disclosed the details of its final revised regulations defining the executive, administrative, professional, "outside salesman", and derivative exemptions under the federal Fair Labor Standards Act's Section 13(a)(1).

The highlights include these:

- The provisions will go into effect on December 1, 2016,
- The salary threshold for exempt status will increase to a rate of \$913 per week,
- The total-annual-compensation threshold for the "highly compensated" exception will increase to \$134,004,
- Both thresholds will be "updated" every three years, beginning on January 1, 2020,
- Employers will be able to satisfy up to 10% of the salary threshold from "nondiscretionary bonuses and incentive payments", *including* commissions, paid on a quarterly or more-frequent basis (but this will not be permitted as to the salaries of employees treated as exempt under the exception for highly-compensated ones),
- No duties-related requirements were changed.

We will of course provide additional information and analysis once the actual regulations and related USDOL commentary are made available in the *Federal Register*.