



# FLSA Overtime Exemption Rule

The Department of Labor released its final rule on May 18, 2016, revising the overtime exemption regulations of the Fair Labor Standards Act (FLSA) and making millions of exempt employees eligible for overtime pay.

The final overtime rule includes an exempt employee threshold of **\$47,476**—less than the proposed rule’s \$50,440, but more than double the old threshold of \$23,660.

The salary threshold will be updated every **3 years** and employers must implement the rule by **Dec. 1, 2016**.

## OLD Overtime Rule

# \$23,660

Previously, full-time, salaried workers who earned up to this amount annually (\$455 a week) were not eligible for FLSA overtime protections.

## NEW Overtime Rule

# \$47,476

The DOL more than doubled the salary threshold, requiring employers to pay workers who make up to this annual amount (\$913 a week) overtime pay.



# Overtime Is Money

Employers will spend **\$592.7 million** to comply with the new rule, the DOL estimated, saying that each of the 7.4 million affected establishments will need one hour to get up to speed on the changes.

The Society For Human Resource Management and many business groups believe it will take a much longer time than one hour to make the changes needed.

# Dec. 1, 2016

is the day all employers must comply with the new regulations.



The salary threshold will be updated every 3 years to keep up with inflation. Based on wage growth projections, the threshold is expected to rise to more than **\$51,000** with the first update on

# Jan. 1, 2020



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