

## **BREAKING NEWS The DOL Issues the Final Version of its Much-Anticipated Overtime Regulations**

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The U.S. Department of Labor (DOL) has issued the final version of its long awaited federal overtime regulations, which are anticipated to expand the overtime requirements to nearly 4.2 million workers. The rules will go into effect on December 1, 2016.

### Key Provisions:

- The Final Rule more than doubles the salary threshold for exempt white collar workers to \$47,476 per year, or \$913 per week, from the current \$23,660 annual threshold. Responding to comments that its proposed salary threshold was too high in certain geographic areas of the country, the DOL reduced the salary level by nearly \$3,000 less than its final proposal.
- The salary threshold will be updated automatically every 3 years, instead of annually as in the DOL's final proposal. The next update will occur on January 1, 2020.
- The Highly Compensated Employee exemption compensation threshold will remain at \$134,004 annually.
- The DOL revised the regulations to allow employers for the first time to count non-discretionary bonuses, incentives and commissions toward up to 10% of the required salary threshold to meet the exemptions, provided employers pay those amounts on a quarterly or more frequent basis.
- The DOL has not made any changes to the duties tests.

Jill Welch and Jennifer Craighead will host a webinar from 8:00am. to 9:30am. on June 3, 2016 to review the changes to the federal overtime rule, the impact of the rule on employers, and address other ancillary issues that may arise as a result of these changes, including reclassification of current exempt employees, flexible work schedules, telecommuting, work time and other issues. Registration information will be forthcoming.

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