

Final Rule Amending Overtime Requirements Not Expected Until Late 2016

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On June 30, 2015, the Department of Labor (DOL) published its proposed rule amending the minimum salary requirement for overtime exemption under the Fair Labor Standards Act (FLSA). Under the proposed rule, the minimum weekly salary for overtime exemption would increase from \$455 per week (\$23,660 annually) to \$970 per week (\$50,440 annually). The proposed rule would expand overtime protections to cover some additional 5 million white collar employees. The DOL received more than 250,000 comments during the comment period.

Since the comment period concluded, employers have anxiously awaited the publication of the final rule, expecting publication by the end of 2015. However, the Solicitor of Labor, Patricia Smith, recently reported at an American Bar Association conference that the final rule will not be published until late 2016. The advantage to the late publication is that employers will have more time to prepare and budget for the anticipated change. The disadvantage is that employers might have a short window of compliance from the date of final publication, perhaps as little as 30 days.

Employers needing assistance with compliance or more information about overtime exemptions under the FLSA should contact a member of our employment law group.

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