

Proposed Changes to FLSA Would Make Millions of American Eligible for Overtime Pay

On June 30, 2015, the Department of Labor (DOL) issued its long-awaited Notice of Proposed Rulemaking, which proposes updates to the Fair Labor Standards Act (FLSA) regulations relating to white collar employees. The proposed regulation would provide for overtime pay to most salaried workers earning less than \$50,440. It is estimated this could impact almost five million U.S. workers.³

Currently under the “white collar exemption” executive, professional and administrative employees who meet job-related duties tests and who earn a salary of at least \$455 per week or \$23,660 annually are exempt from earning overtime under the FLSA. Under the new proposal, the white collar exemption would increase to \$921 per week or \$50,440 annually by 2016. The current proposal does not include changes to the duties tests that are used to determine if employees fall within the exemption.

At this time, the regulations are not final or binding on employers until a final regulation is made. The DOL’s proposal is currently published in the Federal Register and is open for comments. Comments to these proposals can be made directly to the DOL at www.regulations.gov through September 4, 2015.

³Source: <http://www.regulations.gov/#!documentDetail;D=WHD-2015-0001-0001>