



## CLIENT ALERT

### DOL DELAYS IMPLEMENTATION OF CHANGES TO THE OVERTIME EXEMPTIONS

As we have previously advised, the U.S. Department of Labor (“DOL”) has proposed regulations raising the minimum salary that must be paid to an employee in order for that employee to be considered exempt from the overtime pay requirements of the Fair Labor Standards Act (“FLSA”). The DOL initially proposed raising the minimum salary for an exempt worker to \$970 per week (\$50,440 per year). **While the regulations were initially anticipated to take effect in early 2016, the Solicitor of Labor recently advised that the final overtime rules will not be announced until late 2016.**

This delay is a double-edged sword. On the one hand, employers have more time to prepare to transition exempt employees to non-exempt status. However, since we will not know the new salary thresholds until late 2016, employers cannot take all necessary steps in advance. Given the late date of the final rule announcement, it is possible that the final rules will take effect 30 or 60 days after such announcement, giving employers little time to prepare for the transition. Additionally, the DOL is reviewing the more than 250,000 comments received with respect to the planned threshold increases and is likely to reduce the aforementioned minimum weekly salary. Accordingly, it is not possible to fully prepare to transition all affected employees prior to the announcement. Once the final rule is announced it will be readily apparent which employees need to be transitioned to non-exempt status immediately, and/or which employees the employer may want to consider compensating differently to ensure they remain exempt.

*If you have questions or would like additional information, please contact Amanda M. Fugazy ([afugazy@egsllp.com](mailto:afugazy@egsllp.com)), Paul P. Rooney ([prooney@egsllp.com](mailto:prooney@egsllp.com)), Valerie J. Bluth ([vbluth@egsllp.com](mailto:vbluth@egsllp.com)) or the primary EGS attorney with whom you work.*



---

#### THE EMPLOYMENT LAW PRACTICE GROUP

**Amanda M. Fugazy, Esq.**

**Paul P. Rooney, Esq.**

**Valerie J. Bluth, Esq.**

**Allison Vieyra, Paralegal**

1345 Avenue of the Americas, New York, NY 10105

Telephone: (516) 801-8139/(212) 370-1300

[afugazy@egsllp.com](mailto:afugazy@egsllp.com) | [www.egsllp.com](http://www.egsllp.com)