

NEW EMPLOYER OVERTIME RULES



The **U.S. Department of Labor** announced it will publish a final overtime rule, which will update the earnings thresholds necessary to exempt employees from the **Fair Labor Standards Act's** (FLSA) minimum wage and overtime pay requirements.



1.3 million American workers newly eligible for overtime pay

KEY TAKEAWAYS:

- The standard salary level will be raised from **\$455** to **\$684** per week (**\$35,568**/year for a full-year worker)
- The total annual compensation requirement for "highly compensated employees" will be raised from **\$100,000** to **\$107,432** per year
- Non-discretionary bonuses and incentive payments (including commissions) paid at least annually can be used to satisfy **up to 10%** of the standard salary level
- **Duties tests** for executive, administrative, and professional employees remain unchanged



The final rule will go into effect on January 1, 2020