



## Potential New FLSA Overtime Rule **Changes to Exempt Status Requirements Could Affect Your Business**

The U.S. Department of Labor ([DOL](#)) is soon expected to issue a proposed new rule that would update a long-standing “white collar” [exemption](#) to the Fair Labor Standards Act ([FLSA](#)). Specifically, we expect the proposed rule to raise the minimum salary required for administrative, executive and professional employees to be classified as exempt, and to adopt a new time-based duties test. That test would require an employee to spend at least 50% of his/her time performing exempt tasks.

Currently, the federal minimum salary for classifying a white collar employee as exempt is \$455 per week. It is important to note that [New York](#) already has a higher minimum of \$656.25 per week for white collar employees, which will increase to \$675 in 2016. If the proposed rule results in a higher federal minimum salary for the white collar exemption than New York’s state minimum, then white collar employees in New York with salaries below the increased federal minimum would now be eligible for overtime pay if they work more than 40 hours in a week.

Following the completion of a public commenting period, the DOL could announce a final rule by the end of this year, and then implement it in 2016. In preparation for this, employers need to review salaries and job descriptions for positions that are currently exempt. Based on the results of that analysis, employers should then consider discussing with an attorney how they may best comply with the new rule.

If you would like to discuss these regulations in greater detail, please contact [Roni E. Glaser](#) or [Michael J. Weiner](#).

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