



Employment Law Breakfast Briefing: The Final DOL Rule on FLSA Exemptions (St. Cloud)

June 21, 2016

Firm Event

Gray Plant Mooty - St. Cloud

1010 W. St. Germain

Suite 500

St. Cloud, MN 56301

On May 18, the U.S. Department of Labor (DOL) released its highly anticipated Final Rule setting new Fair Labor Standards Act (FLSA) salary requirements for various FLSA exemptions. The Final Rule, which becomes effective December 1, 2016, significantly increases the minimum weekly salary that must be paid to satisfy the FLSA's "white collar" exemptions (e.g. executive, professional, and administrative).

In addition, the Final Rule increases the annual compensation amount that must be paid to satisfy the "highly compensated employee" exemption. Under current rules, "white collar" employees must be paid at least \$455 per week (\$23,660) annually to be exempt, and an exempt "highly compensated employee" must have annual compensation of at least \$100,000. On December 1, the salary requirement for "white collar" workers will more than double to \$913 per week (\$47,476 annually) and "highly compensated employees" will need to earn at least \$134,004 per year to remain exempt.

The Final Rule will impact millions of employees around the country who are currently "exempt" but, absent a salary increase, will become non-exempt and eligible for overtime pay on December 1. While exempt employee salary raises are one compliance tool, there are other compliance options available that may help to minimize the impact of the Final Rule on payroll costs. With about six months to go before the Final Rule becomes effective, employers should start proactively reviewing their workforce classifications and planning for compliance now.

As you begin your organization's compliance planning, we invite you to join us for a presentation by GPM employment law attorneys Dorrie Larison and Matthew Webster on the following:

- A brief refresher on the FLSA



- A summary of the new Final Rule and how it changes existing FLSA requirements
- A practical review of compliance options available to employers