

FINAL RULE AMENDING THE WHITE COLLAR EXEMPTIONS IS HERE, ALMOST

Labor & Employment Alert
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On March 14, 2016, the U.S. Department of Labor submitted its Final Rule amending the white collar overtime exemptions to the Office of Management and Budget (“OMB”) for review. Generally, OMB completes its review of proposed rules within 60 days. Once OMB completes its review of the rule, employers should be provided with an additional 60 days before it goes into effect. So while nothing can be certain during an election year, employers may expect to receive the Final Rule sometime in May or June, and plan for an effective date that could fall sometime in July or August. The U.S. Department of Labor may have sought to deliver this rule to OMB now so that it provided President Obama an opportunity to veto any possible Congressional resolution disapproving the Final Rule passed under the Congressional Review Act before his term expires.

As we have previously reported, the proposed final rule seeks to amend the minimum wage and overtime exemptions applicable to executive, administrative, professional, and highly compensated employees under the Fair Labor Standards Act. If adopted in its proposed form, the Final Rule would increase the minimum salary level for the executive, administrative, and professional exemptions from \$455 per week (\$23,660 per year) to a projected \$970 per week (\$50,440 per year). For New York employers, the current minimum salary level for most professional employees is \$455 per week (\$23,660 per year), and for administrative and executive employees it is \$675.00 per week (\$35,100 per year). The Final Rule would also increase the minimum salary level for the highly compensated employee exemption from \$100,000 per year to a projected \$122,148 per year.

We will provide more information as it becomes available. In the meantime, employers should continue to prepare for arrival of the Final Rule in the next few months. If you have any questions about the Final Rule or its implications on the classification of employees who are currently exempt from minimum wage and overtime requirements, please contact any one of our labor and employment attorneys.

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