COMPLIANCE BULLETIN

Overtime Changes to Take Effect Dec. 1, 2016

A Department of Labor (DOL) <u>final rule</u> is set to increase the salary threshold for the "white collar overtime exemptions" to $47,476 per year. Recent challenges to the rule have left some questioning whether it will take effect on Dec. 1, 2016, as scheduled.

✓ The U.S. House of Representatives passed <u>H.R. 6094</u>, which would delay implementation of the final rule. The bill would have to be passed by the Senate and approved by the president before it becomes law. President Barack Obama has threatened to veto the bill.

✓ A coalition of <u>21 states</u> and <u>a number of business groups</u> have filed lawsuits challenging the overtime rule. No court decision or order has been issued yet.

Unless the bill is passed into law or a court orders a delay, the DOL's overtime rule will take effect on Dec. 1.

ACTION STEPS

Employers should be prepared to comply with the DOL's new overtime final rule by Dec. 1, 2016. Actions needed for compliance may include raising salaries of currently exempt employees or paying overtime to employees who will no longer be exempt. Specific actions will depend on a number of factors related to each employer's workforce.

Sullivan Benefits will continue to monitor these developments and provide updates as necessary.

HIGHLIGHTS

- Despite challenges to the DOL's overtime rule, it is still set to take effect on Dec. 1, 2016.

- A bill that would delay the rule's effective date to June 1, 2017, has not yet become law.

- Two lawsuits challenging the rule have been filed, but no court action has been taken.

IMPORTANT DATES

Sept. 28, 2016

The House of Representatives passed a bill that would delay implementation of the overtime changes to June 1, 2017.

Dec. 1, 2016

The DOL's final rule for overtime pay exemptions become effective.

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