



## E-ALERT

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### EMPLOYER ALERT: NEW OVERTIME RULES?

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### IS YOUR BUSINESS PREPARED FOR NEW OVERTIME RULES?

On Tuesday, the United States Department of Labor (DOL) proposed changes to the overtime requirements of the Fair Labor Standards Act (FLSA). Presently, the minimum weekly salary to qualify for an exemption is \$455 (\$23,660 annually). The DOL proposes raising the number to \$921 per week (\$47,892 annually). Those figures would increase again in 2016 to about \$970 a week (\$50,440 a year). To be clear, salary is just one component of many FLSA overtime exemptions. Indeed, the DOL sent smoke signals indicating other possible changes to the overtime rules, which could meaningfully impact how you compensate your employees.

There is a 60-day public comment period on the proposed changes to the overtime regulations.

Earlier this week, [President Obama penned an op-ed piece for \*The Huffington Post\*](#) about these forthcoming changes. The media is running with it, and the spotlight is now shining brightly on employee pay practices. The failure to pay overtime properly can have a catastrophic effect on your business. Recent trends show that the FLSA is fertile ground for litigation; particularly, class-action litigation. This perfect storm should raise your employees' awareness of their legal rights.

Now is the time for proactive employers to address these proposed new rules, while also ensuring that they are presently compliant with the FLSA. Dilworth Paxson's experienced Labor and Employment Practice Group is here to help. Should you wish to schedule an audit of your pay practices, please do not hesitate to contact us.