At Long Last, DOL Announces Final Amendments to 'White Collar' Overtime Exemptions

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As <u>expected</u>, the United States Department of Labor issued publicly this morning its final regulations amending the so-called "white collar exemptions." The key features of the <u>final regulations</u> are:

- Increase in the minimum salary level to meet the white collar exemptions from \$455 per week (approximately \$23,660 annually) to \$913 per week (approximately \$47,476 annually).
- Increase in the total annual compensation level for highly compensated employees from \$100,000 to \$134,004.
- Installs an automatic update procedure, which will update the salary thresholds every three years (beginning January 1, 2020). The update will raise the minimum salaries required to meet the white collar and highly compensated exemptions to the 40th percentile of full-time salaried workers nationally.
- No changes to the current "duties" tests.
- The salary increases go into effect December 1, 2016.

The DOL's summary of the final regulations can be found here.

As we have previously discussed on this blog, Congressional Republicans have introduced legislation aimed at derailing the final regulations. Today's DOL announcement, combined with the White House's professed <u>commitment</u> to the new regulations, suggest that the legislative maneuvering will be useful for only perceived political gain, rather than a realistic chance of halting the regulations.

For employers, the only good news today is that the DOL has given employers about six months to finalize their preparations for the salary increases (or re-classification, as the case may be). Stay tuned on this blog for more in-depth analysis of the final regulations and their impact on employers.

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