

**EMPLOYMENT LAW ALERT**  
**MAY 2016**

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**DEPARTMENT OF LABOR ANNOUNCES NEW OVERTIME PAY  
REGULATIONS EFFECTIVE DECEMBER 1, 2016**

On May 18, 2016, the U.S. Department of Labor released its final rule on overtime pay, which affects 4.2 million eligible workers. Salaried workers earning less than \$913 a week (\$47,476 a year) will be entitled to overtime pay.

The final rule, which goes into effect on December 1, 2016, will:

- raise the standard salary threshold from \$455 a week to \$913 a week (\$47,476 for a full-year worker). Up to 10% of the salary threshold for non-highly compensated employees can be met by certain non-discretionary bonuses, incentive pay, or commissions, provided these payments are made on at least a quarterly basis;
- increase the salary level of highly compensated employees from \$100,000 to \$134,004 per year; and
- automatically update the salary thresholds every three years, beginning January 1, 2020. New salary levels will be posted by the Department of Labor 150 days in advance of their effective date, beginning August 1, 2019.

The final rule did not make any changes to the “duties test” that determines whether white collar salaried workers earning more than the salary threshold are exempt from overtime pay.

**CONTACT**

If you have questions, please contact the author of this alert, [Lawrence J. Casey](#), or a member of our [Employment Law Practice](#).

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