



Certified Public Accountants & Business Consultants

Final Overtime Rule Announced

The U.S. Department of Labor (DOL) recently released its highly anticipated final overtime rule, which expands overtime protection to millions of workers across the United States. This new standard will take effect on **December 1, 2016**.

The final rule updates the overtime regulations under the Fair Labor Standards Act by raising the salary threshold from **\$23,660 per year (\$455 per week)** to **\$47,476 per year (\$913 per week)** for the executive, administrative, and professional (white collar) exemptions.

Additionally, the final rule will:

- ensure the salary threshold is updated every three years
- raise the highly compensated employee annual salary threshold from **\$100,000 to \$134,004**
- make no changes to the "duties test" under the white collar exemptions
- allow for bonuses and incentive payments to count toward up to 10 percent of the new salary level.

The details regarding the new rule can be found in this excellent summary provided by the DOL:

<https://www.dol.gov/whd/overtime/final2016/general-guidance.pdf>

As an employer you will need to determine if you are impacted by the new rules. If you feel you need guidance in this area, we recommend you contact your legal counsel or human resource professional and request further assistance. We would be happy to assist you in this regard and make the appropriate referrals, if necessary.

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