

ARE YOU PREPARED FOR THE NEW OVERTIME RULE?

The U.S. Department of Labor (DOL) has announced the release of its final overtime rule. This will expand overtime protections to millions of workers across the U.S.

The final rule updates the overtime regulations under the Fair Labor Standards Act.

THE FINAL RULE WILL:

- Raise the salary threshold indicating eligibility from \$23,660 per year (\$455/week) to \$47,476 per year (\$913/week) for the executive, administrative and professional exemptions.
- Automatically update the salary threshold every three years, based on wage growth, over time, increasing predictability.
- Raise the highly-compensated employee's annual salary threshold from \$100,000 to \$134,004.
- Allows bonuses and incentive payments to count towards up to 10 percent of the new salary level.

It is important to note that the rule does not change the duties test for executive, administrative and professional employees.

More details can be found on the DOL website: <https://www.dol.gov/WHD/overtime/final2016/>

This new rule will take effect December 1, 2016. If we can assist you in preparing for the new law, please contact us at 253-852-8500.



The DOL estimates that as many as 4.2 million workers may need to be reclassified as a result of the new rule.

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