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DOL Issues Final Rule Increasing Salary Threshold for Overtime Exemption

Earlier today, the U.S. Department of Labor announced the publication of its long-awaited Final Rule updating the overtime regulations. Specifically, the Final Rule raises the salary threshold that must be met by any worker classified as exempt from overtime under the White Collar Exemptions (Executive, Administrative, and Professional). Effective December 1, 2016, a worker must earn an annual salary of \$47,476 (\$913 per week) in order to be classified as exempt. The Final Rule also establishes a schedule for the automatic updating of the salary threshold every three years, and it allows up to 10% of bonuses received or commissions earned to be counted toward the salary threshold under certain circumstances. The Final Rule does not change the test for determining whether an individual's job duties involve the proper level of discretion and independent judgment to qualify for the exemption, and employers must be careful to meet both the salary threshold and the duties test in ultimately classifying an employee as exempt.

For additional information on the Final Rule, including how it may affect managers, dispatchers, customer service representatives and other employees, contact Jim Hanson (jhanson@scopelitis.com), David Robinson ([drobinson@scopelitis.com](mailto:drobenson@scopelitis.com)), or Jack Finklea (jfinklea@scopelitis.com) in the Firm's Indianapolis office at (317) 637-1777 or Don Vogel (dvogel@scopelitis.com) or Sari Pettinger (spettinger@scopelitis.com) in the Firm's Chicago office at (312) 255-7200.