

## CUT AND PASTE POST FLSA NEWS FLASH

### Department of Labor Issues Notice of Proposed Changes to White Collar Rule

On March 7, 2019, the U.S. Department of Labor (DOL) announced it had submitted a Notice of Proposed Rule Making (NPRM) regarding the “White Collar Rule” to the Office of the Federal Register (OFR). The NPRM is currently pending placement for public inspection at the OFR and publication in the Federal Register.

According to the [DOL’s website](#), the NPRM includes:

- A proposed increase in the minimum salary required for an employee to qualify for a white collar exemption from the current level of \$455 per week (\$23,660 per year) to \$679 per week (\$35,308 per year). SHRM estimates this change will affect at least 1 million employees.
- An increase in the total annual compensation requirement for “highly compensated employees” from \$100,000 to \$147,414.
- A commitment to review the salary thresholds every 4 years. (It was thought there may be an automatic adjustment to these thresholds proposed, but this was not included in the NPRM)
- The ability of employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid annually or more frequently to satisfy up to 10 percent of the standard salary level.

The NPRM does not recommend changes in overtime protections for:

- Police Officers
- Fire Fighters
- Paramedics
- Nurses
- Laborers including: non-management production-line employees
- Non-management employees in maintenance, construction and similar occupations such as carpenters, electricians, mechanics, plumbers, iron workers, craftsmen, operating engineers, longshoremen, and construction workers.

### Job Duties Tests Unaffected

In order to qualify for a white collar exemption, employees must be paid the required salary, but must also meet the appropriate job duties test (see [DOL Fact Sheet 17A](#)). There is no proposed change to these tests.

### What’s Next?

Once the NPRM is published in the Federal Register, the public will have 60 days to submit comments. The new Rule is expected to take effect January 1, 2020. We will keep you updated as this progresses through the public comment process.

For more information, check out the [SHRM website](#)!