

# On December 1st, 2016 the USDOL's Overtime Final Rule took effect

## **The Overtime Rule**

In 2014, President Obama directed the Secretary of Labor to update the overtime regulations to reflect the original intent of the Fair Labor Standards Act, and to simplify and modernize the rules so they're easier for workers and businesses to understand and apply. The department has issued a final rule that will put more money in the pockets of middle class workers – or give them more free time.

## **The final rule:**

- Raised the salary threshold indicating eligibility from \$455/week to \$913 (\$47,476 per year), ensuring protections to 4.2 million workers.
- Automatically updated the salary threshold every three years, based on wage growth over time, increasing predictability.
- Strengthens overtime protections for salaried workers already entitled to overtime.
- Provided greater clarity for workers and employers.

**The final rule became effective on December 1, 2016.** The final rule does not make any changes to the duties test for executive, administrative and professional employees.

For more information, please go to the USDOL site at <https://www.dol.gov/whd/overtime/final2016/>