

DOL Proposes to Expand Overtime Protection

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Wednesday, July 8, 2015

The Department of Labor has proposed a rule (available [here](#)) that would significantly increase the minimum salary threshold required to qualify for the **FLSA's** so-called “**white collar**” **exemptions** for executive, administrative, and professional employees. The finalized rule is expected to take effect in 2016.

The current salary threshold, set in 2004, is \$455 per week (\$23,660 per year). DOL proposes to increase the threshold to an amount equal to the 40th percentile of earnings for full-time salaried workers. The new threshold is projected to be \$970 per week (\$50,440 per year) in 2016, more than double the current threshold.

DOL estimates that the proposal would bring nearly 4.7 million currently-exempt employees within the scope of overtime protection. Critics of the proposal warn that an increased overtime threshold would result in increased business costs, a rise in the use of part-time entry-level workers, and reduced opportunities for employees reclassified as non-exempt.

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