

The logo for Donnelly-Boland and Associates features a stylized, light green swoosh that curves around the company name. The name is written in a dark green, serif font.

DONNELLY-BOLAND AND ASSOCIATES

Delivering quality, commitment and value.

New Overtime Rules Effective December 1, 2016

On December 1, 2016, new overtime regulations were updated in the Fair Labor Standards Act (FLSA). Specifically, these regulations affect employee classifications. The FLSA requires all non-exempt employees be paid overtime for all hours worked in excess of 40 hours per week. However, the new requirements may necessitate businesses to change employee classifications.

The FLSA classifies all employees as exempt or non-exempt. Exempt employees can fall into one of the following categories: Executive, Administrative, Professional, Computer, or Outside Sales. Each of the categories includes a specific list of criteria to follow.

One common item for the above classifications, except for Outside Sales, is that the employee must be paid a rate no less than \$455 per week. However, effective December 1st, the minimum rate increased to \$913 per week (\$47,476 per year).

If your business needs to reclassify employees from exempt to non-exempt, this means those employees will now be entitled to overtime pay. This becomes increasingly difficult for small businesses who operate on a budget.

The professionals at Donnelly-Boland and Associates can advise you how to navigate through these new regulations. Please feel free to contact us at 412-882-5383 and we can help support your business!

Donnelly-Boland and Associates, a certified woman-owned business enterprise, is a CPA and management consulting firm that provides an array of professional services including accounting, financial services, government and nonprofit consulting, human resources, and taxes.

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