

Publications

Prepare Now for Change in Pay Laws

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Cincinnati Business Courier

Angela Gibson, a partner in the Vorys Cincinnati office, and Mike Griffaton, of counsel in the Vorys Columbus office, co-authored an article for the Cincinnati *Business Courier* titled "Prepare Now for Change in Pay Laws." According to the authors, in 2014 President Obama directed the U.S. Department of Labor to "update and modernize" the nation's overtime regulations, which are governed by the Fair Labor Standards Act (FLSA). The article outlined the possible new overtime rules that could take effect as early as summer 2016.

The article states:

"In response, the DOL issued a proposed rule in June 2015 to more than double the salary an employee must receive before being overtime-exempt – to \$970 per week, or \$50,440 annually. The salary threshold for highly compensated employees would rise to \$122,148. These salary levels would adjust annually for inflation to prevent them from becoming 'outdated.'

According to the DOL, this increase will 'ensure that the FLSA's intended overtime protections are fully implemented' and will 'simplify the identification of nonexempt employees' (i.e., the higher the salary, the higher the likelihood an employee is performing exempt duties).

By the time the comment period on the proposed rule closed in September 2015, the DOL had received over 270,000 comments – triple the number it received when it changed the white-collar regulations in 2004. DOL submitted its final draft to the Office of Management and Budget on March 14, 2016, the last step before the rule is implemented. OMB review can take 30 to 90 days, so the final rule may be published by summer 2016. Challenges to the final rule are expected – in court and/or under the Congressional Review Act, under which Congress can disapprove the rule, but the disapproval can be vetoed by the president."

To read the entire article, visit the *Business Courier* [website](#). (Subscription may be required).