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## BUSINESS ALERT

### NEW OVERTIME RULES

**What:** Revisions to Fair Labor Standards Act redefining overtime eligibility.

**When:** Took effect August 21, 2004.

**Why:** The Department of Labor, in an effort to update compensation regulations.

**The criteria:** Workers earning less than 23,660.00 per year - \$455 a week or \$11.38 an hour are guaranteed overtime protection.

\* The worker's duties are a factor. For example, if the employee can hire, fire or advise an employer on a termination action, an employer does not have to pay overtime.

The "duties tests" are very complex; even Wage and Hour Division investigators say they often have difficulty determining whether an employee can receive overtime.

\* Manual laborers and other "blue collar" workers must be paid overtime – one-and-a-half hours of pay for every hour over 40 hours worked.

\* Employees will not qualify if their job involves using discretion or independent judgment; if they take on major assignments, can commit the company to major financial accords, or are allowed to deviate from company policies.

\* Some professionals may not qualify if their work requires advanced knowledge or offers artistic or creative endeavors, such as music, writing, acting or the graphic arts.

\* Employees earning at least \$100,000.00 do not have to be paid overtime if their duties are executive, administrative or professional.

\* Police officers, firefighters, paramedics, emergency medical technicians and similar public safety employees should be paid overtime even if their wages rise above the new levels.

\* **For more information:**

<http://www.dol.gov.esa.regs.compliance/whd/fairpay/main.htm>.

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