



New overtime rules for "White Collar" employees could affect nonlicensed supervisors

June 20, 2016

The U.S. Department of Labor has announced a major change in the way it defines which employees are exempt from federal overtime law requirements. The key feature of the new regulations is a doubling of the amount employees may earn and still be entitled to overtime pay. Under the existing rules, persons employed in qualifying executive, administrative, or professional (EAP) capacities must be paid a minimum salary of \$455 per full-time week (\$23,660 annually) in order to be considered exempt from overtime. Under the new regulations, which take effect December 1, 2016, such employees must be paid a minimum of \$913 per week or \$47,476 annually in order to be exempt. This salary threshold will be automatically updated every three years to keep pace with economic conditions.

The new regulations will not affect teachers, who are specifically excluded from any "salary test" requirements. Nor will it affect academic administrators, who (under a special rule) need only be paid an amount equal to a starting teacher's salary in order to be exempt from overtime.

"Non-academic" administrators and supervisors may, however, be affected. Examples of such positions would include transportation supervisors, custodial and maintenance supervisors, or food service managers who supervise and direct other employees of the district and generally function in a "bona fide administrative capacity." Such employees, although they might otherwise be exempt, will now be entitled to overtime if they are not compensated at the newly established minimum rate of \$913/week or \$47,476/year. [Accurate time records](#) would be required, as well as mandatory compensation (or compensatory time) at 1½ times the employee's regular rate of pay for all hours worked in excess of 40 during a given workweek.

Given the highly technical nature of the regulations involved, boards of education are advised to consult their legal counsel when attempting to determine the exempt or non-exempt status of any particular school district position.

Authors



Kimball H. Carey

Partner

Columbus
614.227.4891
kcarey@bricker.com



Sue W. Yount

Partner

Columbus
614.227.2336
syount@bricker.com



Cassandra R. Casto

OSBA Certified Paralegal

Columbus
614.227.4915
ccasto@bricker.com