



Salary threshold changes could make more school district employees eligible for overtime pay

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On September 24, 2019, the United States Department of Labor issued a new rule revising the salary threshold for the so-called “white collar exemptions.” While this new rule will not affect teachers, it may affect other school district employees. The updated threshold, which will expand overtime obligations for an estimated 1.3 million workers across the country, will take effect on January 1, 2020.

To be eligible for the current exemption from overtime, an employee must satisfy both a duties test and earn a salary of at least \$23,660 (\$455 per week). Certain executive, administrative and professional employees satisfy the duties test because of the nature of their work. So, if they also earn at least the minimum salary, they are exempt from overtime pay requirements. Under the new regulation, the salary threshold for the exemption is \$35,568 (\$684 per week), meaning that employees who were formerly exempt from overtime may now be eligible for overtime. If employees make less than the new threshold, they will be entitled to time-and-one-half overtime pay for hours worked in excess of 40 in one week starting in 2020 – even if their duties are executive, administrative or professional in nature.

School districts may have employees affected by this change, and they are advised to prepare by:

- Reviewing employees’ duties and job descriptions to ensure employees are properly classified as exempt from overtime or non-exempt
- Adjusting pay practices to timely conform to the effective date of the new requirements

- Developing a communication strategy for affected employees, particularly those who may view this change negatively

Authors

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