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PROPOSED CHANGE IN WHITE COLLAR EXEMPTION OVERTIME LAW THRESHOLD BY: HELEN FLOROS, CPA

Generally, workers covered by the Fair Labor Standards Act (FLSA) must be paid at least time and a half for each hour worked beyond 40 hours a week except for exempt employees. In addition, special rules often apply to occupations such as police officers, fire fighters and employees of hospitals and nursing homes. The FLSA regulates employee pay of businesses with annual gross sales of greater than \$500,000 and certain other businesses.

Old law: If an employee performed executive, administrative or professional duties and annual pay was over \$23,660 a year, that employee was exempt from overtime laws. So, you could have titled someone a manager, paid them slightly more than \$23,660 and not have had to pay overtime.

Proposed rule: The white collar exemption proposed threshold to potentially start in 2016 is \$50,440 a year, over twice the old threshold.