

FLSA — New Final Rule

Get prepared, be protected

The FLSA – New Final Rule

FLSA Compliance, Publication and Content

The FLSA — New Final Rule guide will provide key information to help you better understand the most recent changes. You will also gain insight on what you need to do to prepare for it, learn what your options are to minimize the cost associated with overtime and how you can mitigate the risks associated.

"One of the most basic tenets of our economy is that a hard day's work should lead to a fair day's pay."

— Department of Labor

Legal Disclaimer

FLSA Compliance, Publications and Content

This 2016 FLSA New Final Rule guide is intended to be used as a handbook for the reader to reference in conjunction with, but not exclusive of, official regulatory information. The laws, regulations, rulings and other material contained herein may change over time, and the reader should seek out the most current materials. This guide does not include everything that you need to know. We strongly encourage you to read and understand all laws and regulations that are applicable for FLSA compliance and to follow them closely.

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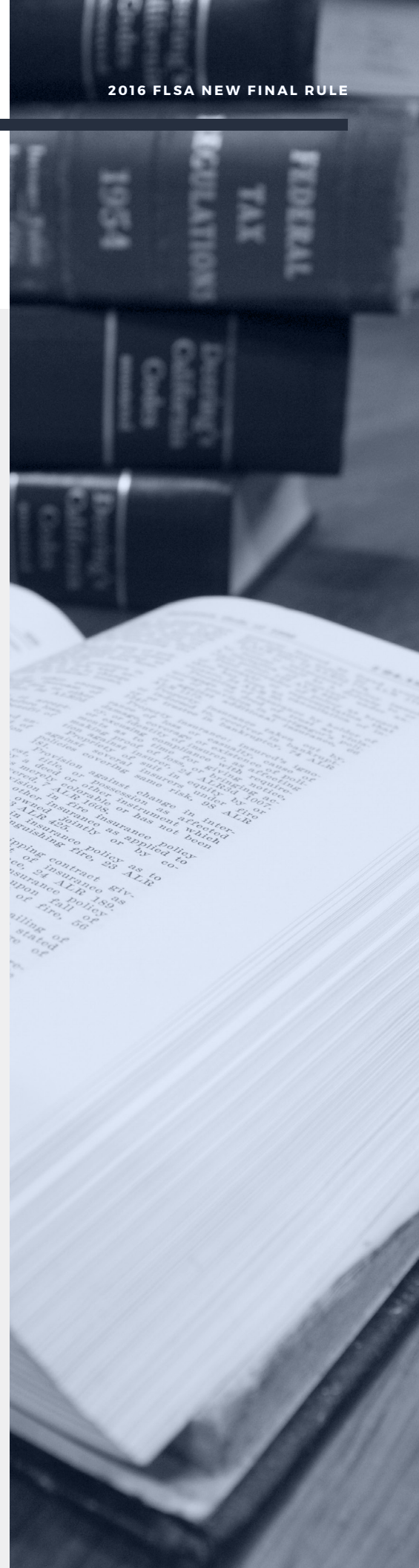


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Do you have employees that make less than \$47,476 per year?

Or \$913 a week? You need to pay overtime.

What is the New Final Rule?

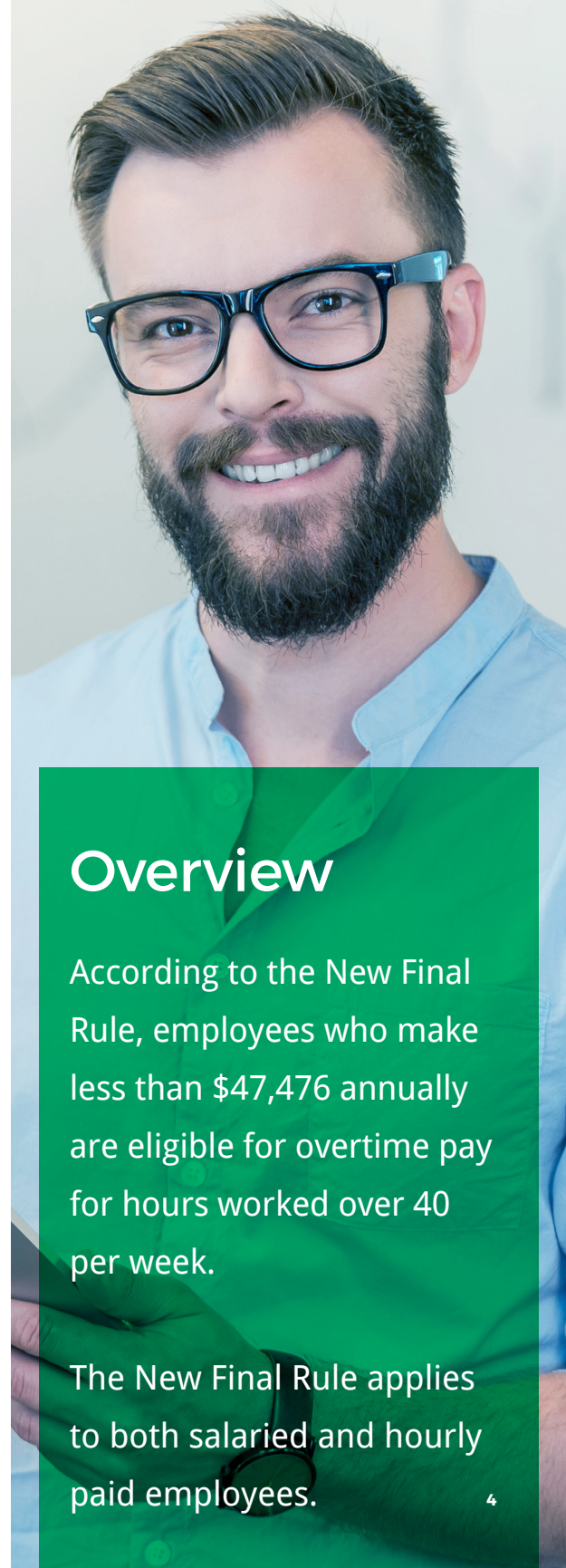
Effective December 1, 2016, there are three key changes to the previous overtime rule that make up the New Final Rule.

- 1 The standard salary level was increased from \$455 to \$913 per week (or \$47,476 per year), and highly compensated employees (HCE) total annual compensation requirement increased from \$100,000 to \$134,004 per year.
- 2 Employers will be allowed to satisfy up to 10 percent of the standard salary level with non-discretionary bonuses and incentive payments (including commissions).

Bonuses can be paid on a quarterly basis and the start of the quarterly time frame is at the employer's discretion.

- 3 There will be automatic updates to the salary thresholds every three years, beginning on January 1, 2020. Going forward, any revisions made to the standard salary level will be a direct result of the review.

Overtime is paid to employees who work more than 40-hours in any given week, or any fixed and regularly recurring period of 168 hours — seven consecutive 24-hour periods are eligible for overtime pay at a rate not less than one and one-half times the regular rate of pay. The FLSA does not require overtime pay for work on weekends, holidays, or regular days of rest unless overtime is worked on such days.



Overview

According to the New Final Rule, employees who make less than \$47,476 annually are eligible for overtime pay for hours worked over 40 per week.

The New Final Rule applies to both salaried and hourly paid employees.

It's been projected that **4.2 million** employees will be affected by the New Final Rule.

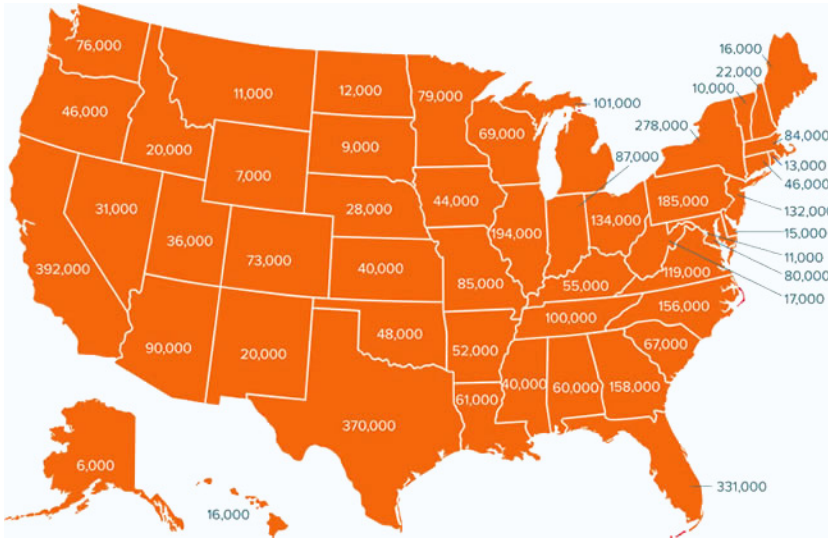


Image courtesy of the United States Department of Labor

Note: Job titles do not determine exempt status. For an exemption to apply, an employee's specific job duties and salary must meet all the requirements defined within the FLSA. To learn more click below.

Express Data Workforce Management

Who's exempt from receiving overtime pay?

An employee must meet ALL of the following criteria to be truly exempt from overtime pay:

- The employee must be compensated on a salary basis.
- Be an executive, administrative, professional or an outside sales employee. (As defined by the Department of Labor regulations. For definitions, go to <http://www.flsa.com/coverage.html>)
- They must receive a set/guaranteed amount of pay that he or she can count on that is no lower than \$913 a week or \$47,476 per year. This amount cannot vary based on the quality or quantity of work, provided they perform some work during the work period. If it does, then you run the risk of the employee being treated as an hourly employee which would make them eligible for overtime.

If an employee meets this criterion, they are considered "exempt" from both the minimum wage and overtime provisions of the FLSA.



Are you ready for the New Final Rule?

Here are a few questions to help you determine your level of preparedness.

Q Are you tracking the exact hours your employees work per week?

A If not you're at risk of penalties, lawsuits and overtime back pay that will directly affect your revenue stream. Our workforce management solution will track employee hours to the minute and provide you auditable reports.

Q Have you reviewed your employees to determine their FLSA status of hourly or salaried?

A If not, you're putting your business at risk of possible penalties. Unfortunately, if you don't know who is eligible for overtime compensation, you may not be paying overtime as required by the FLSA. Our workforce management solution will help track your employee's classification of hourly or salaried to ensure you're paying overtime as required by FLSA.

Q Are you confident that you're calculating total wages, including bonuses accurately?

A If you are not sure, better to be safe than sorry. Incomplete and inaccurate records increase your risk of penalties and lawsuits. Our integrated payroll solution tracks total wages by category so that you'll have peace of mind knowing you're covered.

Q Have your labor costs increased due to unnecessary overtime?

A If this is a problem, we can help by eliminating unapproved OT. By setting hour thresholds per employee. You'll no longer have to worry about your budget being eaten up by unnecessary overtime.

Q How are you tracking paid and unpaid breaks? Or are you?

A If you don't have a system that records and tracks breaks, you're at risk of wage and labor disputes. Complaints almost always go for the employee if you don't have a systematic way of proving it. Eliminate your risk with our workforce management solution, by tracking employee hours, breaks and any changes made to an employee's time card.

Q Are you proactively tracking overtime hours?

A If you're not sure how many overtime hours your employees are working, then you're at risk of substantially increasing your labor costs. Our workforce management solution can limit the hours an employee works right within their schedule by setting an hour threshold. Set up the control and let the system be the "watchdog" so you don't have to.

Q Is your timekeeping data complete and accurate?

A If you're not electronically tracking the time of your hourly employees then you're at risk of not meeting FLSA requirements. Tracking employee hours is mundane, but necessary. Our workforce management solutions track not only hours but also track the changes made to time cards. Auditable data is key to being FLSA compliant.

All of these data points play a crucial role in managing an employee's hours to ensure your company is FLSA compliant.



Our workforce management solution is fully integrated

This means the employee's data transfers electronically from one system to another and decreases the need for manual data entry that minimizes human error.

Integrated solutions for

FLSA

Timekeeping



Scheduling



Intelligent Clock



Mobile App



Payroll



Companies with full integrations

Accountix	Stratus HR	Bamboo HR	Baker Tech Cons.
Adaptasoft	CheckWise	HR Next	Newbridge
Apex	Elite Payroll Solutions	My Paperless Office	Asure
Payroll Services LLC	Lasso Workforce	Evolution	PrimePay
TimeSimplicity	Execupay	Payroll Experts	ReadySetWork
MPAY	Shutter Finance	GPS TimeCenter	Wagepoint
Hotel Effectiveness	USTelePunch		

An integrated workforce management solution enables the data flow between systems to be uninterrupted, unedited, and without the interjection of manual data entry that is known to cause data errors.

An integrated solution offers many cost-saving benefits.

- Minimizes data entry & human error
- Eliminates duplicate data entry
- Expedites payroll processing time
- Increases the accuracy of data
- Improves data reporting



Solution to the New Final Rule

Our workforce management solution

enables employee hours to be tracked, recorded & calculated; and organizes the data to be processed for a timely, accurate payroll.

Payroll Management

- Calculate & track total compensation, including bonuses
- Run payroll within minutes, meet deadlines & eliminate human errors

Time and Attendance

- Proactively manage data with OT & missing punch data alerts
- Track total hours, breaks, classification, accessible, auditable records

Employee Self-Service (ESS)

- View & approve time cards
- View & trade schedules

Advanced Scheduling

- Set schedules & eliminate unnecessary overtime
- Set hour thresholds & proactively eliminate overtime

Mobile App

- Captures punch data with PinPoint GPS location
- View & approve time cards

Workforce Management Clock

- Eliminates duplicate punches & reduces admin edits
- Tracks paid & non-paid breaks & calculates total hours worked

Easily identify

overtime eligible employees, track hours, control labor costs & stay compliant with our workforce management solution.

[LEARN MORE HERE](#)



What are my options for meeting the New Final Rule?

You have a few options to consider that will help to reduce your overtime labor costs. Take a look and see which one works best for you.

- 1 Pay employees time and a half for overtime. (This approach may work well for employees who work 40 hours or fewer in a typical work-week.)
- 2 Raise employees' salaries above the new threshold of \$47, 476 per year. (This option works well for employees who have salaries close to the new salary level and regularly work overtime.)
- 3 Limit employees work hours to no more than 40 hours per week. (This option requires redistributing workloads or increasing staff to ensure overtime is not needed.)

Or you may use a combination of all three to achieve your desired financial results.

What are my risks?

Non-compliance may result in penalties, fines, back pay for unpaid overtime & lawsuits.

Let us help you reduce your risk and avoid the costs associated. Call us to get started with our workforce management solution and get back your peace of mind.

How can I reduce my risks?

Our workforce management solution will enable you to track hours to the minute and eliminate unnecessary overtime before it happens.

You'll have access to the reports you need to quickly identify overtime eligible employees to ensure they are being compensated as required by FLSA.

Call us today
and let's get you ready
to meet the compliance
demands of FLSA

610.495.7166

To review the basics of the
New Overtime Rule, click [HERE](#).

FLSA questions?

As an employer, if you have additional questions to ensure that your workers are properly compensated and classified, please call 1-866-4USWAGE.

If an employee has questions they can click [HERE](#) to learn more about their FLSA rights or call 1-866-4USWAGE, to speak with a representative.

