



Spring/Summer 2016



Compliance Corner

Changes to Federal Overtime Rules for White Collar Workers - Are you prepared?

A final rule, effective December 1, 2016, updates the regulations governing which executive, administrative, and professional employees (white collar workers) are entitled to the minimum wage and overtime pay protections of the federal Fair Labor Standards Act (FLSA).

The current federal rules provide an exemption from both the FLSA minimum wage and overtime pay requirements for bona fide executive, administrative, and professional employees who

Dear Friends and Colleagues,

Summer is finally here, can you believe it? It feels like just yesterday we were welcoming the new year.

As we head into the summer months, it is time to bring ideas, projects and plans out of winter hibernation. Maybe it is new growth (new business, or new employees). Or maybe it is to revisit and revise policies or positions.

Whatever is on your plate, New Life HR Solutions has over 30 years of expertise in all areas of Human Resource Management and can help you maneuver through the myriad of laws and regulations that you have to comply with.....and ultimately allow you to focus on your core business.

Contact us for a free consultation and let our experienced staff take these worrisome issues off your hands.

Hope you enjoy this newsletter.



***Lucille Mavrokefalos
President and Founder***

meet certain tests regarding their job duties and who are paid on a salary basis at not less than \$455 per week (\$23,660 per year). "Highly-compensated employees" (HCEs) who are paid total annual compensation of \$100,000 or more and meet certain other conditions are also deemed exempt.

Key Changes

The final rule focuses primarily on updating the salary and compensation levels needed for executive, administrative, and professional workers to be exempt. No changes are being made to the current job duties tests. In particular, the final rule:

- * **Raises the salary threshold from \$455 a week to \$913 per week (or \$47,476 annually) for a full-year worker;**
- * **Increases the HCE total annual compensation level to \$134,004 annually;**
- * **Establishes a mechanism for automatically updating the salary and compensation levels every 3 years, beginning on January 1, 2020; and**
- * **Amends the regulations to allow employers to use nondiscretionary bonuses, incentives, and commissions to satisfy up to 10% of the new standard salary level, so long as employers pay those amounts on a quarterly or more frequent basis.**

Employers Should Continue to Use Current Version of Form I-9 Until Further Notice

As a reminder, U.S. Citizenship and Immigration Services has advised that employers should continue using the current version of Form I-9, even though the March 31, 2016 expiration date on the form has passed. The agency recently proposed several revisions to Form I-9 and stated that it will provide updated information about the new version of the form as it becomes available. Federal law requires employers to hire only individuals who may legally work in the United States--either U.S. citizens or foreign citizens who have the necessary authorization. To comply with the law,

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With Summer months comes hiring of interns - Are you planning to hire interns this summer?

While it can be tempting to allow such individuals to volunteer at your place of business or pay less than the minimum wage, the fact is that internships are most often considered "employment" subject to the federal minimum wage and overtime rules.

The Fair Labor Standards Act

Under the federal Fair Labor Standards Act (FLSA), interns in the for-profit private sector who qualify as employees typically must be paid at least \$7.25 per hour, and not less than one and one-half times the regular rate of pay after 40 hours of work in a workweek.

Note: When both the FLSA and a state law apply, the employee is entitled to the most favorable provisions of each law. Be sure to check your state wage and hour laws for applicable requirements.

The Test for Unpaid Interns

There are some circumstances under which individuals who participate in for-profit private sector internships or training programs may do so without compensation. The determination of whether an internship or training program meets this exclusion depends upon all of the facts and circumstances.

The U.S. Department of Labor uses the following six criteria which must be applied when making this determination:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment
2. The internship experience is for the benefit of the intern
3. The intern does not displace regular employees, but works under close supervision of existing staff
4. The employer that provides the training derives no immediate advantage from the activities of the intern, and on occasion its operations may actually be impeded
5. The intern is not necessarily entitled to a job at the conclusion of the internship

employers must verify the identity and employment authorization of each person they hire by completing and retaining Form I-9.

For more information and guidance in all areas of Human Resource Management and Compliance contact us for a free consultation:

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New Life HR Solutions' is a Human Resource consulting firm founded in 2011 by Lucille Mavrokefalos. Our mission is to provide superior service and legal compliance guidance in the areas of compensation, benefits, recruitment, employee relations, employee handbooks, policies procedures and strategic planning to small and mid-sized businesses. New Life HR Solutions will work on a project basis or provide HR Management support on or off-site where little or no HR function exists.

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