

Preparing for the FLSA Overtime Rule Change - Checklists



Who's (Still) Exempt?

- ✓ Make a list of currently exempt jobs
- ✓ When was the last job description review?
- ✓ Have the job duties changed?
- ✓ Last legal review of FLSA classification?

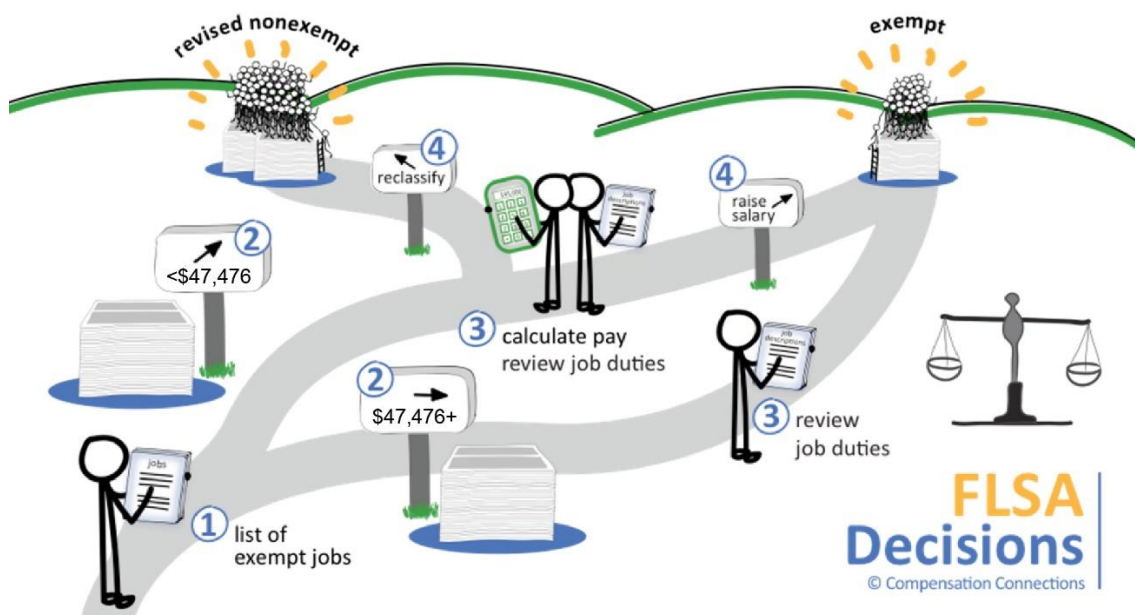
About Those Job Descriptions

- ✓ Do they manage other employees?
- ✓ People managers – what % of their time?
- ✓ People managers – change in job duties?
- ✓ Revise job descriptions that need it

Exempt Jobs Paid Less Than \$47,476 / Year:

- ✓ Employees work more than 40 hours per week?
- ✓ How much more, and how often?
- ✓ What would be the cost of overtime?
- ✓ Who will work those hours if they don't?
- ✓ Decrease the amount of overtime? How?

Make Some Decisions



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Formula For Decisions:

1. Salary + bonus / 52 weeks per year = weekly pay
2. Weekly pay / total hours = regular rate (approx.)
3. Regular rate x 2,080 + Regular rate x 1.5 x OT hours per week x 52 weeks = Employee Annual Pay If Non-Exempt

What If You Had A Calculator?

<https://clientapps.compliancehr.com/a/otcostestimator>

Run The Numbers

- ✓ Calculate cost for each employee on your list
- ✓ Reclassify jobs that need it
- ✓ Cost to hire additional people?
- ✓ Recheck your list: all employees/jobs included
- ✓ Calculate salary budget increase

More Decisions

- ✓ Convert reclassified employees to hourly?
- ✓ How will reclassified employees track hours?
- ✓ Can you/how should you control overtime hours?
- ✓ How to manage overtime hours worked by newly reclassified employees?
- ✓ Hire more people? Which jobs/when/# of hours?
- ✓ What policies should be added or revised?

Ready, Set, GO

- ✓ Develop your communication plan
- ✓ Choose your start date
- ✓ Get executive buy-in
- ✓ Meet with managers / answer questions
- ✓ Listen to feedback and revise
- ✓ Meet with employees / answer questions

Quick Reference List

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1. Start now!
2. Make a list of the affected jobs
3. Complete necessary revisions to job duties
4. Legal review of job duties
5. Complete calculations for all employees in revised jobs
6. Determine number and cost of new hires
7. Assess the impact on the salary budget
8. Develop a communication strategy
9. Tell everyone
10. Deal with questions/concerns of managers and employees