



Fair Labor Standards Act (FLSA)

Frequently Asked Questions

2016

What is the FLSA?

The Fair Labor Standards Act (FLSA) is the federal wage and hour law administered by the U.S. Department of Labor (DOL). It impacts employees in both private and public sectors by establishing minimum wage, overtime pay, recordkeeping and youth employment standards affecting employees.

What does it mean to be exempt or non-exempt?

Exempt employees are excluded from the overtime requirements. Non-exempt employees are paid overtime for any time worked in excess of one standard workweek. For an employee to be classified as exempt, he/she must meet the following criteria:

- **Salary Basis:** An employee must receive a predetermined, fixed salary that is not subject to reduction due to variations in quality or quantity of work performed.
- **Minimum Salary:** An employee must be paid a salary minimum that is currently \$23,660 per year (\$455 per week).
- **Duties:** An employee must qualify as an executive, administrative, professional, or computer professional (as specifically defined by the FLSA).

What is changing?

The DOL has issued a final rule that raises the minimum salary for an employee to be designated as exempt from \$23,660 per year (\$455 per week) to \$47,476 per year (\$913 per week).

When will these changes become effective?

The changes are effective December 1, 2016.