

CLIENT ALERT

New DOL Overtime Regulations Move Forward

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The Department of Labor's long-awaited changes to the FLSA's overtime regulations are one-step closer to reality. In a May 5 blog post, Labor Secretary Tom Perez announced that DOL had transmitted its proposed regulations to the Office of Management and Budget for review. This review is expected to take a month or two (maybe more), after which they will be published in the Federal Register for a period of notice and comment. During OMB's review – and until their publication in the Federal Register – the DOL's proposed regulations are not available for public review.

DOL's proposed regulations have been the subject of extensive speculation and frequent delays since March 2014, when President Obama first directed DOL to "modernize and streamline" the existing FLSA overtime regulations. While the proposed regulations were expected last November, then again in February, this week's activity represents the first news on this front in many weeks. We will report any further news as soon as it is available.

In the meantime, speculation as to the content of the proposed regulations is sure to continue and, as we have previously reported, employers should prepare for seismic changes in the wage-hour area. These changes include a virtually-certain increase in the salary threshold (currently \$455 per week) under which employees are automatically entitled to overtime, as well as stricter requirements regarding employees' day-to-day duties to warrant exemption from the overtime laws. These regulations will impact every employer in every industry, but they are expected to hit hardest in the retail and hospitality industries.

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