THE FAIR LABOR STANDARDS ACT
Federal Overtime Legisation

The Fair Labor Standards Act (FLSA) includes federal overtime thresholds that apply to most businesses operating in the United States. Over the years, the rules have changed, requiring employers to stay on top of the current regulations.

WHAT YOU SHOULD KNOW ABOUT THE FLSA THRESHOLDS

Standard Overtime Rate
Under the FLSA, non-exempt employees are generally entitled to overtime pay at a rate of one-and-a-half times their regular rate of pay for all hours worked over 40 during a workweek.

Salary Basis Test
An employee must meet certain requirements to be exempt from overtime pay. The 2022 threshold for exemption from OT pay is $684 per week or $35,568 annually.
NOTE: *As of 8.30.23, a proposed rule is pending to increase the amount to $55,068 annually**

Duties Test
In addition to the salary basis test, an employee must also perform specific job duties to qualify for an overtime exemption. FLSA-defined exemptions include professional, executive, computer employee, and administrative duties.

The FLSA also permits highly compensated employees (HCE) to be held at a higher salary threshold. The 2022 total annual compensation requirement is $107,432.
NOTE: *As of 8.30.23, a proposed rule is pending to increase the amount to $143,988 annually**

Individual states may also impose overtime laws with unique requirements. An eligible employer must comply with the more stringent law in effect.

The overtime thresholds are subject to change at any time. Consult the U.S. Department of Labor or business legal counsel for up-to-date information.

HOW TO MANAGE OVERTIME REGULATIONS

In order to ensure compliance with overtime laws, employers must track employee time. This practice is vital for managing OT and preparing for potential audits.

With WorkforceHub, it's easier than ever to manage employee time and labor, a vital step in complying with the FLSA thresholds and state OT laws.

Here's how the solution can help:

Automated Time Tracking
Experience fewer errors and keep accurate time records.

Employee Approval
An employee can approve their time data before it's processed, mitigating the risk of mistakes and frustration.

Scheduling Tools
Supervisors can build schedules for employees to reduce the risk of overtime, plus enable notifications and alerts when team members approach more than 40 hours in a workweek.

System Set-up
During the setup process, employers can identify exempt vs. non-exempt employees and monitor hours accordingly.

Payroll Review Wizard
This feature enables managers to review time records for accuracy prior to moving onto payroll, reducing errors that require costly corrections.

PROTECT YOUR BUSINESS AND EMPLOYEES
with automated time and labor tracking, along with accurate classification.
Try WorkforceHub for free today.

*For more information visit www.dol.gov/agencies/whd/overtime