

HR Brief

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Loudoun Insurance Group LLC



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DOL Overtime Rule Defeated for Good

A federal judge struck down the Department of Labor (DOL) overtime rule, which would have raised the Fair Labor Standards Act (FLSA) minimum salary threshold from \$23,660 to \$47,476.

The federal court's decision is the final ruling on the subject, unlike the ban in November 2016 that merely halted the rule from taking effect.

While the DOL can still challenge the ruling, experts say this is highly unlikely. In the decision, the judge noted that an increase to the FLSA salary threshold was legally permissible, but added that the DOL overstepped by nearly doubling it. The DOL is now expected to continue the rule-making process and eventually raise the threshold to a "reasonable limit."

However, it is uncertain what limit would be deemed reasonable. The court stated that adjusting the rule's 2004 salary threshold for inflation would be an acceptable option.

Another factor in the court's decision was what it considered a circumvention of additional tests to determine FLSA exemptions. Under the current rule, employees must perform certain duties—in addition to earning the minimum salary limit—to qualify for an FLSA exemption. The court said that nearly doubling the minimum salary threshold made the duties test irrelevant.

Employer Takeaways

Based on the court's summary judgment and noted opinions, the DOL will need to present a more reasonable salary threshold if it wishes to pass any future overtime rules. This means employers should continue operating as usual, but they should be aware that an increase might come down the road eventually.

Loudoun Insurance Group LLC will keep you updated with any future developments on this matter. In the meantime, please contact your representative with any questions you may have.

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DID YOU KNOW?

According to Gallup's State of the American Workplace report, more than half of employees surveyed said they would leave their current job for one that offers things like more flexibility and higher compensation.

Based on these findings, employers are apparently not delivering on these offerings. It is possible you have the benefits your employees want, but they may need to be more competitive. Consider surveying employees to see what they need to stick around.

Avoiding Disaster Relief Scams

Hurricanes Harvey and Irma were two of the most devastating storms in recent memory and cost an incalculable amount in property damage and loss of life. Events like these motivate generous people to give, but they also bring scammers.

It is important your employees know which charities are legitimate if they plan on donating money or resources. Here are some quick tips for ensuring donations go to those who need it:

- Never wire money to a charity.
- Always donate via a charity's official website.
- Do not trust charity recommendations on social media without looking up the charity yourself.

For a list of worthy, vetted charities, visit Charity Navigator. The site receives a Form 990 for all its charities directly from the IRS, so it knows how their donations are used.