



The Seay Management Report



Raleigh F. "Sandy" Seay - President

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PROBABLE DATE FOR NEW EXEMPT SALARY REGULATIONS

*Caesar: Who is it in the press that calls on me?
I hear a tongue shriller than all the music
Cry "Caesar!" Speak, Caesar is turn'd to hear.*

Soothsayer: Beware the ides of March.

Caesar: What man is that?

Brutus: A soothsayer bids you beware the ides of March.

Last month, we reported that the Department of Labor announced that the proposed rule raising exempt salary levels to \$970 per week would "probably" be published in June. Now, we have discovered a speech given by Department of Labor Solicitor, Patricia Smith, that makes this date seem even more likely. Here is an excerpt that The Institute for Applied Management and Law recently published:

Over the last few months we've been asked on an almost daily basis when the DOL will be publishing its hotly anticipated white collar exemption rules. The short answer is still, we don't know. A few months ago, the word was "late 2016," which made some sense due to the extremely high volume of comments the DOL received during the 60-day public comment period. Now, signs point to an earlier release.

According to Law360, DOL Solicitor M. Patricia Smith told attorneys at a New York State Bar Association meeting that the final rules would likely be published in July 2016. Assuming an effective date 60 days after release of the final rules, a July release would mean that employers have to comply with the new rules by September 2016. The DOL's current regulatory agenda for the new rules also lists an anticipated final rule date of "7/00/2016."

So, if we take the announcement by the Department of Labor, the speech by Ms. Smith and the opinion of The Institute for Applied Management and Law, we can say that all signs point to the rule being published in July and being effective in September.

If this is true, this means that all of your currently exempt employees must receive a guaranteed salary, not subject to deduction, of at least \$970 per week. What we do not yet know is if there will be exemptions, in full or in part, for some small businesses, non-profits, etc., or whether there will be changes to the "duties" tests. We have heard no word of such exemptions and think it unlikely, but the ways of the Department of Labor are often mysterious. And it is always possible that the Department of Labor might cite a different date. It would take a soothsayer to know for sure

Please contact Sandy or your Seay Management Consultant if you have any questions about the exempt status of your employees or if you would like information on the Seay Management Human Resources Audit, and visit our website for management advice and guidance on other employment issues. We appreciate having you as a valued client of our firm and look forward to talking soon.

Very best regards,

SANDY AND THE SEAY MANAGEMENT CONSULTANTS TEAM

Remember, if you have an employment issue or challenge, and you need an answer right away, and you want the very best Human Resources Management advice available, you need to call . . . The Seay Team!