HR Brief

Human Resources tips brought to you by

Deutsch & Associates, LLC

July 2016

DID YOU KNOW?

On June 2, 2016, the Equal Employment Opportunity Commission (EEOC) announced an increase to the maximum penalty for employers that fail to comply with federal notice-posting requirements. The maximum penalty will increase from $210 to $525.

Employers with 15 or more employees are covered under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA) and the Genetic Information

The Final White Collar Exemption Rule is Here: Now What?

The Department of Labor (DOL) announced the final rule on changes to the "white collar" exemptions under the Fair Labor Standards Act (FLSA) on May 18, 2016. The final rule is effective Dec. 1, 2016.

To qualify for certain white collar exemptions, an employee must meet a salary basis test, a salary level test and a duties test. An employee must meet all three tests in order to be exempt from FLSA minimum wage or overtime pay requirements.

The final rule only changes the minimum salary threshold required in order to satisfy the administrative, executive and professional employee exemptions. The final rule also increases the salary threshold for highly compensated employees. The final rule does not make any changes to the primary duties test under the white collar exemptions. In addition, the final rule does not make any changes to the other various FLSA exemptions.

Effective Dec. 1, 2016, the minimum salary level an employee must be paid under the administrative, executive or professional exemption is $47,476 annually ($913 per week). In addition, the minimum salary level is going to be automatically adjusted every three years.

The first step many employers must take is to evaluate the positions that may be affected by the final rule and determine whether or not these positions would require a salary increase to maintain the exemption.

Employers may choose to reclassify employees who are making below $47,476 to nonexempt (rather than increasing salaries). This classification change may have rippling effects on the employee, beyond the method in which they are paid. For example, the classification change might make some employees ineligible for certain benefits. Employers might also have to limit remote work and flexible scheduling.

Conversely, an employer that chooses to increase employee salaries should be cognizant of potential wage compression issues.

There are many other issues to examine when determining how to address changes

Deutsch & Associates LLC

EEOC Issues Welcome Guidance on Leave as a Reasonable Accommodation

Leave as a reasonable accommodation may arise where an employee is not eligible for (or has exhausted) employer-provided leave or job-protected leave under the federal FMLA and/or other state leave law.

Due to the lack of agency guidance on the topic, leave as a reasonable accommodation under the ADA has left many employers unsure of what their requirements may be regarding leave as a reasonable accommodation.

In May, the EEOC issued general information to employers and employees regarding when and how leave must be granted for reasons related to an employee's disability in order to promote voluntary compliance with the ADA. Employers with 15 or more employees are covered by the ADA and should review the EEOC's guidance.

According to the EEOC, in order to comply with the ADA, employers may