

# Time is Running Out to Comply with the DOL's Onerous New Overtime Rule



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Have you taken steps to adapt to the [overtime rule announced earlier](#) this year? If you haven't, you better get with it – now.

On Dec. 1, the federal annual salary threshold for employees exempt from overtime pay will double. The threshold for salaried employees will jump from \$23,660 (\$455 per week) to \$47,476 (\$913 per week). The rule stipulates that employees making less than the threshold of \$47,476 must be paid time-and-a-half for any hours worked beyond the 40-hour workweek. Future automatic updates to the threshold will occur every three years, beginning on Jan. 1, 2020. More employees will become exempt as the threshold rises.

The rule and the Dec. 1, 2016, deadline for compliance was implemented over the objections of the [U.S. Chamber of Commerce](#), the [National Federation of Independent Business](#) (NFIB) and most of the small business community as a whole.

That threshold part of the Department of Labor (DOL) mandate seems clear enough, but there is more to complying with the rule than that, according to Jim McCutcheon, CEO of [High Grove Partners](#) in Atlanta. McCutcheon, past president of the [National Association of Landscape Professionals](#) (NALP), made it abundantly clear he is no fan of the new DOL overtime rule. At a recent educational session at the [GIE+EXPO](#), he warned the more than 300 landscape pros filling the meeting room to carefully read and understand all of "the details" of the rule. If you don't, he continued, you could find yourself running afoul of the new rule. That could be costly.

The NFIB says the rule will affect about 44 percent of the 5.5 million U.S. businesses with fewer than 500 employees. About 3.2 million small businesses employ 10 workers or less. The majority of you, the owners of landscape and lawn care businesses, are included in this crowd.

The size of the overtime law's impact on your small business will depend on the number of nonexempt employees you have after Dec. 1, when the rule becomes effective. If you have all nonexempt employees the law will not affect you, as your workers must already be paid overtime for working more than 40 hours per week.

For those of you with salaried employees, do you truly understand the many details associated with compliance? Some of the rule's language (including definitions) is far from clear. Do you understand which of your workers qualify for overtime based on the executive, administrative and professional exemptions?

**In broad strokes, you can handle the overtime rule changes by:**

- Paying more than the threshold, more than \$47,476 for salaried employees. Perhaps you have some key employees very close to that threshold already.
- Making salaried employees making less than \$47,476 nonexempt and pay them at least one-and-a-half times their regular pay for overtime work. If you choose this option, you should carefully watch the numbers of hours they are working each week to keep overtime costs under control.

If you haven't done so already, you only have a few weeks left to educate your employees about the rule and what it means to them – specifically any changes to their pay, schedules and job responsibilities – as well as what the rule means to your company.

Obviously, the new rule requires that you maintain strict and accurate timekeeping systems within your business, and that you insist that your supervisors and managers fully understand your company's overtime policy so that you stay compliant with the overtime rules.

If you are still uncertain about some of the details of the overtime rule, you may want to [review the fact sheet on the DOL website](#).