

Memo to Exempt Employees Regarding the FLSA Changes

Dear [Employee Name]:

As an exempt employee, you are currently exempt from being paid overtime under the federal Fair Labor Standards Act (FLSA), due to both your job duties and the amount of your salary. The U.S. Department of Labor has recently amended the FLSA regulations, significantly increasing the minimum salary requirement for exempt employees, effective January 1, 2020. After conducting an impact analysis of the new regulations under our current budget, it has been determined that your status as an employee who is exempt from overtime [will/will not] be affected.

[Choose the text below that applies to the employee's specific circumstance]

Currently, you make more than the new minimum salary required, and you continue to be classified as an exempt employee. No changes will be made to your pay or benefits, and no action is necessary.

OR

You will continue to be classified as an exempt employee, and your salary will be increased to [\$] to meet the requirements of the revised regulations. There [will/will not] be changes to your job duties as a result of this salary increase [, which your supervisor will discuss with you]. There [will/will not] be changes to your benefits [as follows:] *[consider listing any increase to life insurance based upon salary, any premium increases, any changes an employee may wish or need to make for 401(k) percentage-based deductions, etc.]*.

OR

Your status is changing to nonexempt (which means that you are eligible for FLSA overtime compensation at a rate of time and a half for each hour of overtime worked). There [will/will not] be changes to your job duties as a result of your nonexempt classification [, which your supervisor will discuss with you]. There [will/will not] be changes to your benefits [as follows:] *[consider listing any benefits or bonuses an employee is no longer eligible for, any changes an employee may wish to make to 401(k) percentage-based deductions, premium changes, etc.]*. Your supervisor will review with you requirements for recording your hours worked and obtaining approval for overtime hours.

Please contact [name and contact information] with any questions regarding the FLSA changes, your exempt/nonexempt status, or any other questions regarding the impact of this overtime rule on you and/or [Agency Name].