HR BRIEF

Proposed Overtime Rule Expected in October 2022

In its spring regulatory agenda, the U.S. Department of Labor (DOL) announced its plans to issue a proposed overtime rule in October 2022. According to the agency's regulatory agenda, this proposed rule is expected to address how to implement the exemption of executive, administrative and professional employees from the Fair Labor Standards Act's (FLSA) minimum wage and overtime requirements.

Changes to minimum wage and overtime requirements under the FLSA could impact compliance costs and litigation risks for employers.

The proposed overtime rule could provide clarity for classifying exempt employees and increasing their salary levels under the FLSA. Some experts believe the DOL could even create automatic annual or periodic increases to exempt employees' salary levels by linking them to the consumer price index, allowing exempt employees' salary thresholds to adjust without formal rule-making.

The current federal salary threshold for exempt employees is $35,568. There's no firm date for when the agency will release the proposed overtime rule.

What's Next

Regulatory agendas outline a federal agency's goals for the upcoming months. Although these agendas aren't fixed, they give insight into the current administration's priorities and activities.

Once the DOL publishes a proposed rule in the Federal Register, there will be time designated for public comment. Subsequently, the agency will review comments and determine whether to move forward with a final rule. Even after the DOL publishes the proposed overtime rule, it will likely be some time before this rule becomes final, if ever.

Employers are not obligated to change how they classify or pay employees until the DOL's proposed rule becomes final. However, potentially impacted employers will want to follow the DOL's rule-making process closely.

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3 Tips for Managing Employees During the Great Reshuffle

Today's labor trends indicate that workers continue to quit jobs at a high rate but generally leave one job for a better opportunity. During the Great Reshuffle, crucial decision factors for employees seeking better jobs generally revolve around better compensation or benefits, workplace flexibility, career development opportunities or the right culture fit.

Here are three tips for managing employees during the Great Reshuffle:

1. Support Flexible Work Arrangements

Many workers continue to desire flexible work options. Remote or hybrid work will not be feasible for every position or industry. However, employers can still consider how to partner with employees to offer opportunities such as flexible work schedules or expanded paid time off policies.

2. Focus on Employee Well-being

Research shows that an increasing number of workers desire an employer that invests in their mental health and wellness. Offering options such as mental health resources and wellness programs can help to provide such support. In addition, managers can play a key role in promoting mental health by frequently checking in with employees individually.

3. Play to Employee Strengths

Managers can consider how to play to each employee's strengths rather than only working to improve their weaknesses. Allowing employees to focus on abilities in which they excel can help them to thrive and feel that they are assets to the team. In some cases, this strategy may increase productivity and even help with retaining workers.

Employer Takeaway

The right strategies can help employers manage effectively and aid in attracting and retaining employees in today's competitive labor market. Contact us today for additional workplace resources.

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