

Payrollnews

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Let DMPS Get You Ready for the DOL's Final Overtime Regs

At **DM Payroll Services** we keep our clients updated. The Department of Labor (DOL) is in the final rule stage, targeting July 2016 for the release of the minimum annual salary threshold for overtime exemptions.

There's no time like now to sign up with **DMPS** and get your payroll on-track for 2016. From changes to current rules to accurate payroll records and complying with federal regulations, we're on top of what matters to you.

The standard salary and compensation level needed for white collar workers to be exempt is increasing. Currently, a worker is entitled to overtime pay if they earn an annual salary below \$23,660 (\$455 per week), regardless of their job duties.

The new proposed figures set the minimum salary threshold for overtime exemptions at the 40th percentile of weekly earnings for full-time salaried workers at \$970 per week, or \$50,440 annually.

Annual compensation needed to exempt highly compensated employees (HCEs) will also increase. The proposed annualized value of the 90th percentile of weekly earnings for full-time

salaried workers will increase to \$122,148 annually.

To ensure employers and employees have a "useful and effective test for exemption" going forward, also as proposed, the salary and compensation levels will automatically update each year, tied to an automatic-escalator based on inflation.



The DOL has estimated that millions will be impacted by the changes. **DM Payroll Services** has the facts, figures ... and some ways for employers to get ready for the upcoming changes – slated for sixty days from the July rule.

Start keeping track of overtime hours worked, especially for previously exempt salaried workers

who fall under the proposed \$50,440 annual threshold (\$970 per week).

Employees with annual salaries falling just below the new minimum – consider increasing their current salaries to meet or exceed the new threshold, retaining their exemption from overtime pay.

For workers with lower annual compensation, reclassify those workers to non-exempt hourly wage earners with overtime pay for hours worked over 40 in a workweek. It may be less than an increase to the new threshold.

Limitations in hours and/or responsibilities and job-sharing can help reduce overtime. Be sure to make the necessary changes in timekeeping procedures to include receiving prior approval to work extra hours, which can also curb excessive overtime.

Sign up with **DM Payroll Services** today and we'll continue to keep you updated on the final rules and regulations that affect your company. After the expected July final rule, employers will only have 60 days to comply.

Don't wait! Check out our complete list of services and call us today! □

Sources: www.dol.gov/whd, www.dol.gov/whd/overtime/NPRM2015/factsheet.htm and www.reginfo.gov/public/do/eAgendaViewRule?pubId=201510&RIN=1235-AA11.

DMPS' Tips for Accurate Timekeeping

With the new overtime regulations soon to be announced, reclassifying workers as hourly wage earners now means pay for overtime hours worked. It also means punching a clock or filling out a timesheet for some, which may lead to inaccuracy.

Workers will be subject to more detailed recordkeeping, which often leads to errors and fabrication of hours worked. Here are a few tips to help prevent errors in recordkeeping and timesheet fraud - and keep your employees honest.

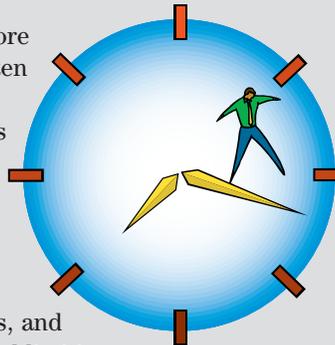
Be clear on durations of time allowed for lunch and break-times, and policies regarding timekeeping and limiting personal tasks on company time. Explain the importance of recording actual hours worked, noting late arrivals and early departures.

Make the employee sign the timecard or sheet, ensuring accuracy to the best of their knowledge, and with full-understanding the hours will be reviewed.

Have supervisors and the payroll manager review all hours submitted, using tools like the schedule and detailed logs with any changes to scheduled hours or recent time-off.

Monitor and review overtime hours with an average or standard amount that repeats or stays the same. Watch for variances in total overtime hours each per pay period.

Keeping accurate records, and your employees honest, is easy with **DMPS**. Stay tuned for more news on final rules & compliance dates - coming soon! 



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A Fair Day's Pay for a Fair Day's Work

Click this link to see the DOL's animated story about the rise in the annual threshold. With the poverty level at \$24,008 and the current overtime threshold at \$23,660, the DOL explains how they intend to fix the problem with a "fair day's pay for a fair day's work." www.dol.gov/featured/overtime 