



*This article presents general guidelines for Georgia nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.*

### **Legal Alert: Overtime Eligibility Expands on January 1, 2020**

Many employees who are not eligible for overtime pay, including employees of nonprofit organizations, will become eligible on January 1, 2020 because of a new final overtime rule issued by the Department of Labor on September 24, 2019. Nonprofit employers should start planning now to address the obligation to pay overtime to employees who are not eligible for overtime under the current rules as these new rules may lead to significant additional costs.

Under Department of Labor regulations, employees may be “exempt” (not eligible for overtime pay) or “nonexempt” (required to be paid minimum wage and overtime pay) depending on their salary and the type of work they perform. The new regulations increase the amount an individual must be paid to be exempt from overtime from \$455/week to \$684/week (\$35,568/year). Therefore, an employee must have a salary of at least \$35,568 per year if the employer does not want to pay overtime for hours worked over 40 in a workweek. The salary is not the only factor that the Department of Labor uses to decide if an employee is exempt from the overtime rules, but it is the only factor that is changing.

Employers have some choices for how to address these new regulations, including the following:

1. Raising the salaries of employees who are close to \$684 per week to ensure they continue to be exempt from overtime;
2. Maintain salaries at current levels, and pay employees time and a half for any hours over 40 worked in a week; or
3. Manage the time of employees to ensure they are not working more than 40 hours in any work week.

In addition, please see this article on Nonprofit Staffing Strategies for New Overtime Regulations: <https://www.pbpatl.org/nonprofit-legal-alerts/nonprofit-staffing-strategies-for-new-overtime-regulations-2/>.

In the meantime, please contact Pro Bono Partnership of Atlanta for assistance in addressing specific issues in your workforce or with any questions.

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