Overtime Compliance Flowchart

Review jobs under $47,476 for hours and duties test

If no OT, retain salary level, reclassify to non-exempt

If OT, ask these Q’s:
1. Can job be done in 40 hours?
2. If not, can we modify or reassign duties?
3. Can we pay more? If yes, A) increase to $47,476 or B) current pay plus OT?

We can and should pay more

Maintain exemption: confirm duties test and raise pay to $47,476.

Reclassify to nonexempt. Pay current salary plus OT.

We cannot and should not pay more

Reclassify to nonexempt. Continue salary or go to hourly. Prohibit overtime.

Lower base salary and build in overtime.

If go from salary to hourly, consider morale and admin. costs.

But consider effect on benefits, and potential pay decrease if future bar on OT.

Can use incentive pay for up to 10% quarterly.

But consider salary compression.