



# HRA-ECI

Human Resource Association of East Central Illinois



May 2016

## Fair Labor Standards Act's Minimum Wage and Overtime Pay Protections

The Department is proposing to update the regulations governing which executive, administrative, and professional employees (white collar workers) are entitled to the Fair Labor Standards Act's minimum wage and overtime pay protections. The Department last updated these regulations in 2004, and the current salary threshold for exemption is \$455 per week (\$23,660 per year). With this proposed rule, the Department seeks to update the salary level required for exemption to ensure that the FLSA's intended overtime protections are fully implemented, and to simplify the identification of nonexempt employees, thus making the executive, administrative and professional employee exemption easier for employers and workers to understand and apply.

### Key Provisions of the Proposed Rule

The Notice of Proposed Rulemaking (NPRM) focuses primarily on updating the salary and compensation levels needed for white collar workers to be exempt. Specifically, the Department proposes to:

1. set the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers (\$921 per week, or \$47,892 annually);
2. increase the total annual compensation requirement needed to exempt highly compensated employees (HCEs) to the annualized value of the 90th percentile of weekly earnings of full-time salaried workers (\$122,148 annually); and
3. establish a mechanism for automatically updating the salary and compensation levels going forward to ensure that they will continue to provide a useful and effective test for exemption.

The Department's proposal to set the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers represents the most appropriate line of demarcation between exempt and nonexempt employees. This salary level minimizes the risk that employees legally entitled to overtime will be subject to misclassification based solely on the salaries they receive, without excluding from exemption an unacceptably high number of employees who meet the duties test. As proposed, this would raise the salary threshold from \$455 a week (the equivalent of \$23,660 a year) to about \$970 a week (\$50,440 a year) in 2016.<sup>1</sup>

See More at: <https://www.dol.gov/whd/overtime/NPRM2015/>

## May Meeting

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Jamie Stang, Stang Arts

Topic: Discovering Your Masterpiece: Bringing Passion to Your Work

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**Friday, May 8th**

11:30AM - 1:00PM

Stang Arts  
112 W. Washington Avenue,  
Effingham, IL

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**RSVP  
By 4 PM  
Friday,  
May 6th**

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Lunch will be Provided by Deb's Catering: Pulled Pork and Twice Baked Potato Casserole

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Bring plenty of business cards!

# 7 Strategies for Keeping Employees Happy At Work

**1. Boost Confidence:** Instead of simply saying "Thank you" and meaning it (which is very important), help them understand, for example, why their perfectly polished e-mails or telephone calls with clients are critical to the team's mission.

**2. Engage Creativity:** The more we give our employees an opportunity to express themselves creatively (within the confines of external realities and laws, of course), the more engaged our employees will be.

**3. Optimize Focus:** In order to get your team to be not just productive and efficient, but actually doing their work in a way that brings them satisfaction (a win-win for all!), help them focus on doing more and more of what they want to do, and what they are good at.

**4. Zero in on Service:** Finding ways for your employees to tie their work to service is key to creating a sustainable workplace environment where employees thrive on a personal level.

**5. Open Communication:** Try practicing this open communication across all employee levels. We have all heard of those CEOs who do a site visit only to shake hands with the deep-pocket clients, and who fail to say hello to the employees who are doing the work and making the deal possible. Don't be that kind of person. Make sure your team knows that professional communication that goes both ways is appropriate and welcome.

**6. Clarify a Plan:** Make sure that, as a manager, supervisor or executive, you are not keeping the vision to yourself. Let your employees know where the company is going and how their contributions will help the company get there.

**7. Make time for Play:** All work and no fun makes for a boring day. Make sure you are consistently rewarding your crew by providing time to connect with whatever it is they deem valuable in life. Annual events, such as an afternoon at the local ballpark, can boost camaraderie.

<https://www.shrm.org/hrdisciplines/employeerelations/articles/pages/7-strategies-for-keeping-employees-happy.aspx>



Charleston Area Chamber of Commerce's

## **Legislative Update**

The Charleston Area Chamber of Commerce will be hosting a Legislative Update Lunch Thursday June 16 at Unique Suites Hotel. The event will include the latest news and updates from Springfield. Featured guests at the lunch will be State Senator Dale Righter and State Representative Reggie Phillips.

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