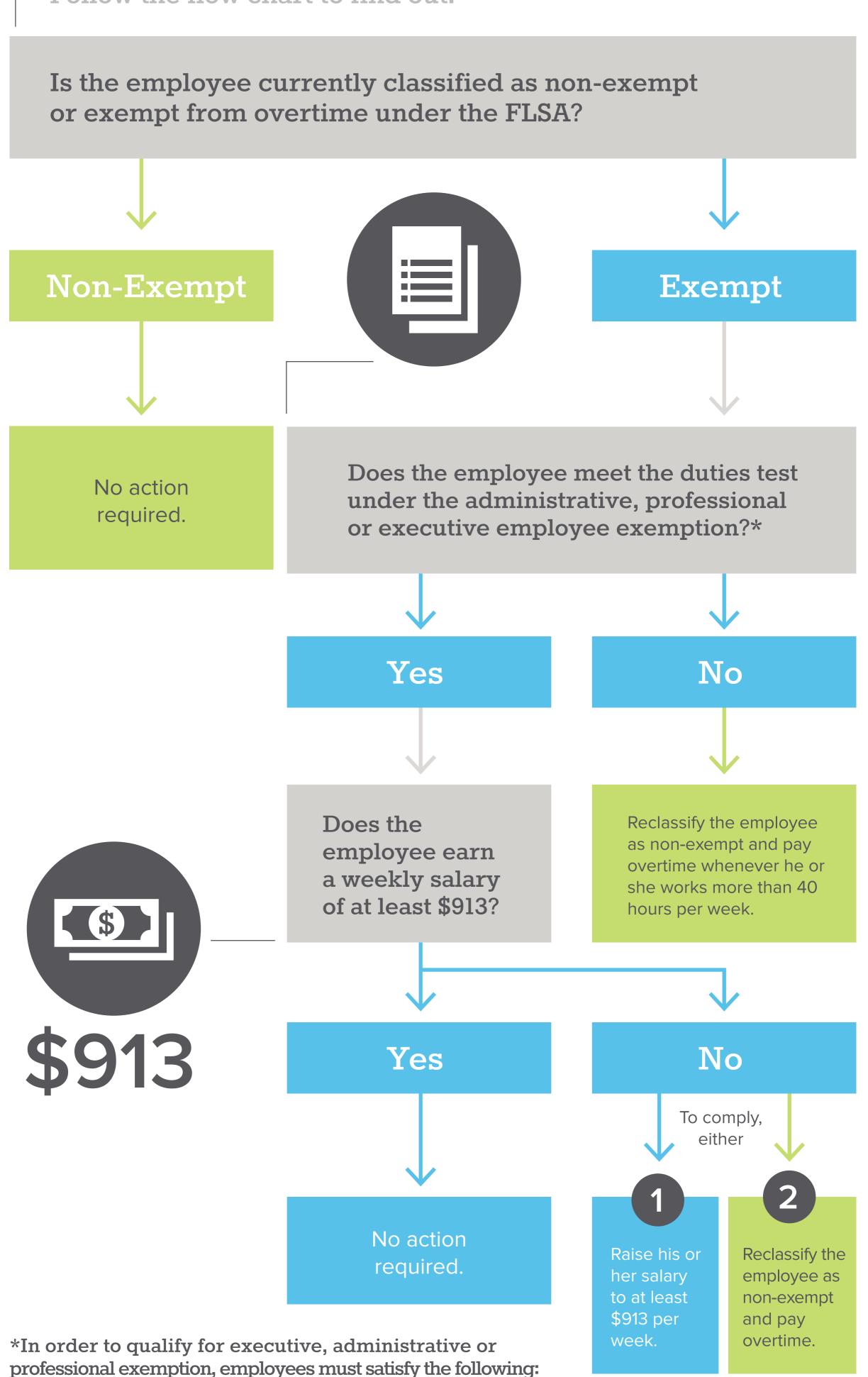


How do you make sure your organization is compliant? Follow the flow chart to find out.



Executive Exemption:

An employee's primary duty must be managing an enterprise or subdivision thereof. The employee must customarily and regularly direct the work of at least two or more other full-time employees; and have the authority to hire or fire other employees.

Administrative Exemption:

An employee's primary duty must be office or non-manual work related to the business. The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

Professional Exemption:

An employee's primary duty must be the performance of work requiring advanced knowledge in science or learning, or invention, imagination, originality or talent.

A more human resource.

What Are the Fair Labor Standard Act (FLSA) Overtime Changes?

Employees who meet the administrative, professional, and executive exemptions must be paid a minimum of \$913 per week. Automatic increases to the salary threshold will take place every three years. Also, the final regulations amends the salary basis test to allow employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of this new standard salary level.

This flowchart does not address the rule changes for highly compensated employees (HCEs), which would increase the total annual compensation requirement needed to be classified as exempt from \$100,000 to \$134,004.

For more information: www.adp.com/flsa

