



April 19, 2016

Revamped Overtime Rules Mean Businesses Need to Break Out Their Calculators

ROSELAND, NJ -- (Marketwired) -- 04/19/16 -- With new overtime rules proposed by the U.S. Department of Labor in the final stages of review, businesses of all sizes need to start taking steps to help ensure they remain in compliance once the rules take effect.

The proposed changes to the Fair Labor Standards Act (FLSA) overtime rules more than double the salary threshold that helps determine whether workers are eligible for time-and-a-half pay when working more than 40 hours per week. If finalized as proposed, these changes will make nearly five million workers eligible for overtime pay as early as this year, unless their salary is raised.

To help businesses better understand the proposed rules and learn more about how to remain compliant and manage labor costs, ADP® has created a unique suite of educational tools to directly help businesses. These include:

- l An online [FLSA resource center](#).
- l Two [online calculators](#).
- l A series of free [webinars](#), on which ADP has partnered with Littler Mendelson, one of the nation's leading employment and labor-law practices, to help educate businesses.

Many business owners are still unprepared to navigate the new rules. That means that many of those businesses could face substantial penalties down the road. Last year alone, Seyfarth Shaw estimates that the number of wage and hour lawsuits rose nearly eight percent to [8,781 cases](#). According to ADP research, only 25 percent of small businesses owners and 50 percent of midsized employers said they are aware of and taking actions to comply with the new overtime regulations.¹

"This could be the next big compliance challenge following the Affordable Care Act," said Tara Wolckenhauer, Division Vice President of Human Resources at ADP. "The first thing business owners need to do is make sure they're properly classifying and paying employees, and tracking time accurately. Then they need to calculate employee work hours to determine whether it makes more sense to pay employees overtime or raise their salaries."

ADP's new online FLSA resource center includes a wide range of educational materials, including fact sheets, articles, legislative updates, infographics, calculators, and a schedule of free webinars to help companies understand the financial impact of the proposed changes.

ADP's helpful online calculators are designed to provide a simple assessment of the annual impact at the federal level of paying overtime versus raising salaries to meet the anticipated new salary threshold of \$50,440 per year. One of two calculators estimates this for the organization as a whole; the second helps employers view options for an individual employee, including an estimated cost-neutral wage based on the overtime that person works.

Businesses also can learn more about the pending overtime changes and best practices to avoid wage and hour mistakes by attending an upcoming webinar on April 20 at 1 p.m. ET. The webinar is one of several that will offer steps employers can take to manage new legislative updates around minimum wage, paid sick leave and scheduling.

Interested participants may register [here](#). To view a replay of the first successful webinar in the series click [here](#).

To learn more about legislative updates and their impact on employers, please visit [Eye on Washington: Legislative Updates](#) and subscribe to receive email alerts.

About ADP (NASDAQ: ADP)

Powerful technology plus a human touch. Companies of all types and sizes around the world rely on ADP's cloud software and expert insights to help unlock the potential of their people. HR. Talent. Benefits. Payroll. Compliance. Working together to build a better workforce. For more information, visit [ADP.com](#).

*ADP and the ADP logo are registered trademarks of ADP, LLC. ADP A more human resource. is a service mark of ADP, LLC. All other marks are the property of their respective owners.
Copyright © 2016 ADP, LLC. All rights reserved.*

ADP-Media

¹Source: Unpublished research from ADP, LLC conducted in 2015. Small business=1-49 employees, Midsized=50-999.

Media Contact:

Chris Ashraf

ADP, LLC

(551) 574-4083

Chris.Ashraf@adp.com

Source: ADP, LLC

News Provided by Acquire Media