

June 10, 2004

To **Employers**

Subject: New Overtime Rules Under the Fair Labor Standard Act (FLSA)

A new regulation on overtime is to be effective in August 2004, unless Congress blocks it. The new regulation tries to clarify who should be entitled to overtime pay under the FLSA.

The FLSA provides an exemption from both minimum wage and overtime pay for employees employed as bona fide **executive, administrative, professional and outside sales** employees. In addition, certain **computer** employees are exempted.

To qualify for exemption, employees generally must:

- Perform duties in one of the categories exempted (executive, administrative, professional, outside sales, and certain computer jobs)
- Be paid on a **salary basis** at not less than \$455 per week.

Please remember that job titles alone do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the Department's regulations. Hourly employees are not exempted from overtime rules.

Enclosed are three fact sheets explaining in more details exemptions for Administrative,

Professional, and Nurse employees. You can obtain additional fact sheets for other professions and more information by calling our office or going on line to the Federal Department of Labor at <http://www.dol.gov> .

Carlos R. Román, CPA, PA

3 Enclosures, as stated (click on link below for fact sheets)

1. Fact Sheet - [Administration](#)

2. Fact Sheet - [Professionals](#)

3. Fact Sheet - [Nurses](#)