



Department of Labor Proposed Overtime Rule

The United States Department of Labor released a proposed rule that will drastically impact all businesses in the United States once adopted. The rule will require all businesses to pay overtime to employees making less than \$50,440 per year.



The impact on midsize and small businesses can be devastating. The **Final Rule** is anticipated to be released soon and may become effective a few months after its release. Although legislation to prevent its implementation is moving through the U.S. Congress, the likelihood that it will prevent the implementation of the rule is not promising.

A Bill, introduced by Sen. Tim Scott (South Carolina) and Rep. Tim Walberg (Michigan), would require the Department of Labor to review the impact prior to its implementation. Businesses need to start determining how they will be impacted as soon as possible. It is anticipated that the impact on FALA members will be huge. We also believe that the impact on owners that have one administrator overseeing several buildings will see a crippling affect on their bottom line. **FALA has reached out to the Bill sponsors to discuss our concern.**

Scenario I:

Skyview ALF has an assisted living facility and a separately licensed memory care building on a single campus (separate buildings). The ALF has an administrator that they compensate at a rate of \$80,000 for being the administrator of both buildings. Florida law requires the ALF to have a "manager" at one of the buildings. Skyview pays the manager \$45,000 and the manager typically works 44-50 hours per week.

Under the proposed rule, Skyview would have to pay the manager more than \$50,440 or Skyview will need to pay the manager for every hour worked over 40 hours. The administrator would remain exempt because the administrator's salary exceeds \$50,440.

Scenario II:

Argent Bay Senior Housing owns and operates three small 25 bed ALFs in Broward County, Florida. The

company hires an administrator to oversee all buildings. Florida law requires the ALF to have a "manager" at all buildings. The administrator of the three buildings makes \$40,000 plus bonuses based on building occupancy. The managers that oversee two of the buildings each have a salary of \$28,000 per year.

Under the proposed rule, Argent Bay would have to pay the administrator more than \$50,440 or pay the administrator for every hour worked over 40 hours. Argent Bay would also have to raise each of the two managers' salaries to above \$50,440 or pay the managers for every hour worked over 40 hours.

What Providers Need to Do Immediately:

- Develop electronic timekeeping.
- Decide whether to convert employees to salaries over \$50,440.
- Decide whether limiting overtime is appropriate.
- Decide whether increasing salaries will impact employees with seniority.
- Decide whether lunches, doctor appointments, and other times away from the office will now be compensated.

Things to Keep in Mind:

- *Employees that make below \$970 per week will be entitled to overtime.
- *The threshold amount of \$50,440 goes up yearly based on the rule.
- *Uncompensated overtime is doubled and attorney fees imposed for failure to compensate correctly based on the proposed rule.

[CLICK HERE TO VIEW THE PROPOSED RULE](#)

If you have questions, please feel free to call Shad at 850.383.1159 or on his cellphone at 850.509.2797

Visit Our Website

Representing Small and Large Communities With One Voice!

The Florida Assisted Living Association | 850.383.1159 | info@falmail.org
www.falusa.com