
New Overtime Rule: What to Expect



The Department of Labour (DOL) recently updated criteria for the overtime threshold bringing in changes that will significantly affect hospitals.

The changes are set to be brought in by the end of the year so the time for preparation is now.

The [DOL's new rule increases](#) the salary at which a person can earn overtime after they have worked in excess of 40 hours in one work week. The current maximum is \$23,660, but in December that number will more than double.

As of December 1, employers who earn up to \$47,476 will be entitled to receive overtime pay.

This figure includes both an employee's standard yearly salary plus any nondiscretionary bonuses of up to 10 percent of the threshold.

The DOL has projected that this change will impact at least 200,000 hospital workers. The majority of them are nurses, paramedics, medical and pharmacy technicians, and medical and physical therapy assistants. Mean salaries for these workers fall into the range of \$25,710 to \$47,010.

Next Steps

Overtime is a part of hospital culture whether paid or not. The DOL changes mean facilities will have to budget more funds to compensate workers who may not have been eligible for overtime pay before. Planning for this additional expense is essential.

Four Possible Options

Raise salaries so employees will continue to be exempt from overtime.

Keep salaries at their current levels and pay workers overtime after they've worked over 40 hours.

Restructure workloads or shifts so workers' hours won't exceed 40 in one week.

Adjust wages to make up for the change.

Hospitals need to find the strategy that works best for them, whether it's one or a combination of these options.

Recordkeeping

Accurate recordkeeping is going to be even more critical in order to make accurate payments and to make adjustments to your overtime pay approach.

This could be through employees simply documenting their own overtime hours or through introducing a more precise time-tracking system.

Tracking duties as well as hours will be key as the DOL has a "white collar" exemption to overtime, where hours spent on "executive, administrative or professional" duties aren't subject to overtime pay. Many employees perform both administrative duties and non-exempt tasks during the same shift.

So to comply with the new rules while keeping within budget it's important to be proactive ahead of the changes.

Source: [Healthcare Business Tech](#)

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