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CKR Financial Services

monthly journal

HELPING OUR CLIENTS RISE ABOVE THE COMPETITION

Just when you thought it was safe to get back into the financial waters...

DOL Expands Overtime Pay

On April 23, 2024, the Department of Labor (DOL) released a final ruling updating and revising the regulations issued under section 13(a)(1) of the Fair Labor Standards Act (FLSA) implementing the exemption from minimum wage and overtime pay requirements for executive, administrative, and professional (EAP) employees.

I'm sure you've heard of "Exempt" or "Non-Exempt" employees. "Exempt" employees usually hold these EAP positions and are "exempt" from the FLSA overtime regulations and, therefore, not entitled to overtime pay. Most hourly employees are "non-exempt" employees: they are required to keep hourly timesheets and get paid directly from the time

clocked in or out. In Nevada, if they work over 40 hours per week, (or 8 hours per day if they earn less than 1.5 times the minimum wage) they will be eligible for overtime. "Exempt" employees, who were paid a yearly salary rather than by tracking hours for pay, could work more than 40 hours without additional compensation.

The issue here is that some unscrupulous employers were regularly requiring their "Exempt" employees to work more than 40 hours per week and even scheduling them to do so. They would also call them at home after hours to discuss work without additional compensation. These abused, exempt employees ended up working 60 hours per week as the



norm in order to keep their jobs.

So, the DOL comes in citing one of the basic principles of the American workplace: "a hard days' work deserves a fair day's pay." We're not in disagreement. We just see that the sword cuts both ways. With the new regulations, more employees will become "non-exempt" and all hours worked or used for sick days will be tracked.

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REMINDER

We've said it before, but it bears repeating; Keep business and personal funds separate. Use bank accounts and credit cards for business that you do not touch for your personal expenses. If commingling exists and is not dealt with properly, the IRS can disallow the deductions. If you, by chance, swipe the personal card for a business expense, have an accountable reimbursement plan in place to notate the transfer. Reliable accounting practices and separate bank accounts keep things tidy.

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When an occasional deadline comes up, such as issuing and mailing 1099's, W-2's or some other quarterly forms, suddenly the workforce that could work an hour or two over to meet the deadline now has to be paid overtime. Having four employees on overtime can bring a wrecking ball into a small business's budget at critical times. Also, there was some give and take under the previous arrangement where an employee could work over some hours and then wouldn't get docked if they took time for medical appointments or additional sick days. Now, employers are going to be tracking time with more precision and may not be able to float hours as they once did. And, on the employee's side, they are no longer going to receive a steady 40-hour/week paycheck; it now becomes relegated by the time clock. And most small businesses will not tolerate overtime. This will be an interesting adjustment and require finding more efficiencies to get the job done within 40 hours.

When does it happen and what will it cost me?

Currently, only those earning less than \$35,568 per year (\$17.10/hr) are required to be paid overtime after 40 hours per week.

Starting July 1, 2024, workers earning less than \$43,888 or less per year (\$21.10/hr) will be required to pay overtime for over 40 hours worked.

Starting January 1, 2025, workers earning \$58,656 or less per year (\$28.20/hr) will be required to pay overtime for over 40 hours worked. January 1, 2027, and every 3 years after, they will determine new salary levels by applying available data with the methodology used to set the salary level in effect at the time of the update.

Voter Time Off

We ran across some information the other day that we were unaware of. We're going to have to make some adjustments to our handbook...

Although it is not federal law, most states require that employers provide at least a few hours off to vote, and many of those require at least some of that time off to be paid. Advance notice that may be required from employees is often minimal, so employers should be prepared to grant last-minute requests to leave work to vote. We thought (and when we had our handbook reviewed by our attorney, he thought the same way) we had so many early voting opportunities with evenings and weekends that no time was needed to vote. However, NV state law says the following:

Civil leave (paid leave not taken from an employee's leave balances) to vote is granted, if: 1) An employee has requested leave to vote before the day on which the employee wishes to take the leave; and, 2) It is impractical for the employee to vote before or after his or her work day.

The amount of civil to be granted is based on:

DISTANCE BETWEEN WORKSITE AND POLLING PLACE	AMOUNT OF CIVIL LEAVE
Equal to or less than 2 miles	1 hour
Greater than 2 miles AND equal to or less than 10 miles	2 hours
Greater than 10 miles	3 hours

If an employee has not requested leave to vote before the day on which the employee wishes to take leave to vote and/or it is practical for the employee to vote before or after his or her work day, another type of leave (e.g., annual leave, compensatory time, leave without pay) may be requested.

"I failed my way to success."

-Thomas Edison

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."
-John Quincy Adams

"I'll tell you the secret to getting rich on Wall Street. You try to be greedy when others are fearful. And you try to be fearful when others are greedy."

-Warren Buffet

"Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it."
-Lou Holtz



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