



# Monthly Newsletter

by Benefit Partners Group, LLC

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## DOL Issues New Salary Limits for Overtime Exemptions

On Sept. 24, 2019, the U.S. Department of Labor (DOL) [announced](#) a new [final rule](#) that updates the salary thresholds that some individuals must meet in order to qualify for a minimum wage and overtime exemption under the federal Fair



Labor Standards Act (FLSA). The final rule becomes effective on Jan. 1, 2020.

### 2019 Overtime Final Rule

The final rule affects the exemptions for executive, administrative and professional (EAP) employees, highly compensated employees (HCEs), employees in the motion picture industry and individuals who work in various U.S. territories.

The final rule's salary levels differ from both the 2016 and 2019 proposed

levels. For 2020, the final rule EAP and HCE salary exemptions are as follows:

- Standard salary level: \$35,568 per year (\$684 per week)
- HCEs: \$107,432 per year

The DOL intends to update the standard salary and HCE total annual compensation levels more regularly in the future through notice-and-comment rulemaking.

### **Employer Action Steps**

To prepare for the final rule's Jan. 1, 2020 effective date, employers should:

- Determine which currently exempt employees have salaries below the new threshold.
- Decide whether to increase salaries for these individuals or reclassify them as nonexempt employees.

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## **Using Voluntary Benefits to Entice Millennial Talent**

Millennials consistently cite elements like work-life balance and benefits packages as huge factors when considering employers. Salary, it seems, comes secondary in many cases.



You can capitalize on this market shift by offering more imaginative and

comprehensive perks to reel in millennial talent. A good place to start is with voluntary benefits. Here are some voluntary benefits to consider:

- Pet insurance
- Student loan repayment
- Identity theft insurance
- Elder care
- On-site daycare

Offering even a few voluntary perks can signal to millennials that you're taking their wants seriously and get them through the door.

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## The Pros and Cons of Incentive Pay

It's no secret that top talent expects to be paid top dollar. According to PayScale, 25% of employees said that compensation was their main motivation for quitting a job. Moreover, compensation is consistently reported as one of the top motivators for employees.



That's where incentive pay can be beneficial. Incentive pay is a type of compensation awarded to employees for results achieved. One common example of incentive pay is commission, where sales professionals are paid a proportion of each sale they make.

Incentive pay programs can be designed in a variety of ways, but their ultimate goal is to encourage and reward employees for working hard and delivering results.

### **Incentive Pay Advantages**

With incentive pay, employees who work hard to produce results will receive the compensation. As such, employees will be motivated to deliver results and go above and beyond in hopes of receiving incentive pay. Typically, productivity and employee engagement will increase too.

### **Incentive Pay Drawbacks**

With incentive pay programs, there's a risk for increased competition among employees that can lead to resentment and a cutthroat workplace culture. Additionally, as employees push themselves in hopes of receiving incentive pay, they may be putting themselves at risk of burnout.

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## **Five Steps to Successful Employee Communication**

Effective managers must be strong communicators to inspire and lead their teams. The video below offers five strategies and suggestions to keep your managers' communication efforts on point.



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