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GOVERNMENT OF  
THE UNITED STATES VIRGIN ISLANDS



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**DEPARTMENT  
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*Office of the Commissioner*

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

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### **FINAL RULE – OVERTIME REGULATIONS EFFECTIVE DECEMBER 1, 2016**

Labor Commissioner Catherine A. Hendry, Esquire wishes to remind all Virgin Islands employers and the general public that the Final Rule on Overtime pay regulations under the Fair Labor Standards Act will go into effect on **December 1, 2016**.

Overtime protections were first put into place by the Fair Labor Standards Act of 1938, and established the standard that workers be paid time-and-a-half for any hours worked over 40 hours in a week. In general, all hourly employees are guaranteed overtime, and salaried employees are presumed to have the same guarantee unless they both: (1) make more than a salary threshold set by the Department of Labor, and (2) pass a test demonstrating that they primarily perform executive, administrative, or professional duties. A limited number of occupations are not eligible for overtime pay (including teachers, doctors, and lawyers) or are subject to special provisions. The final rule will:

- Raise the salary threshold from \$23,660 to \$47,476 a year, or from \$455 to \$913 a week.
- Raise Americans' wages by an estimated \$12 billion over the next 10 years, with an average increase of \$1.2 billion annually. At the same time, employers retain considerable flexibility in how they comply with the new rule, such as increasing salaries to at least the new threshold to keep positions that are primarily executive, administrative, or professional exempt from overtime pay; paying overtime for hours worked in excess of 40 in a week; or reducing overtime hours.

**“Labor Works...Let Labor Work For You.”**

- **Update the salary threshold every three years.** Based on projections of wage growth, the threshold is expected to rise to more than \$51,000 with the first update on January 1, 2020.
- **Raise the “highly compensated employee” threshold – from \$100,000 to \$134,004 – above which only a minimal showing is needed to demonstrate an employee is not eligible for overtime.** This upper threshold was designed to ease the burden on employers in identifying overtime eligible employees since it is more likely that workers earning above this high salary level perform the types of job duties that would exempt them from overtime requirements.
- **Respond to employers’ concerns by making no changes to the “duties test” and allowing bonuses and incentive payments to count toward up to 10 percent of the new salary level.** Workers earning more than the salary threshold are still subject to the duties test to determine eligibility for overtime. Additionally, for the first time, employers will be able to count bonuses and commissions toward as much as 10 percent of the salary threshold.

For more information regarding the Final Rule on Overtime, please contact Ms. Gwen Steele, Labor Relations Specialist at 340-773-1994 extension 2124 or you may visit [www.vidol.gov](http://www.vidol.gov) or [www.dol.gov/whd/overtime/final2016/](http://www.dol.gov/whd/overtime/final2016/).

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