

Overtime Rule Delayed Until Further Notice

On Nov. 22, 2016, a federal judge in Texas issued a [preliminary injunction](#), halting the enforcement of the Department of Labor's (DOL) new [overtime rule](#) nationwide until further notice. The rule, which was set to take effect on Dec. 1, 2016, would have increased the salary threshold for the "white collar overtime exemptions" from \$23,660 per year to \$47,476 per year.

What Is the Future of the Overtime Rule?

The DOL may be facing an uphill battle in implementing changes to the overtime exemptions. Despite this, supporters of the rule remain committed to what they describe as fair increases in the overtime exemption salary threshold.

The DOL has filed a motion for an expedited appeal of the Nov. 22 injunction. The court process, though, is lengthy and it is unclear whether or not the appellate court will make this case a higher priority than others. This means that a final court decision could take months and will probably not be made by

Inauguration Day. If a decision is not made on the overtime rule by the time Trump is inaugurated, he may request the DOL to withdraw its appeal.

In the event that the DOL is successful in its appeal, it is possible that the state plaintiffs who are involved in the court case could file a petition to be heard by the full circuit, which could delay the court's order. It is also possible that Trump could take executive action to block or amend the rule, but it is not clear at this time what approach he would take to change or undo the rule. If the appellate court strikes down the rule, though, further court or executive action would not be necessary.

What Does This Mean for Employers?

The judge's ruling gives employers across the country a reprieve from having to raise salaries for exempt employees to the new threshold or pay them overtime.

Employers that have already made adjustments to comply with the new rule may find it difficult to reverse any changes. However, employers may decide to postpone any changes that have not yet been made.

Employers should continue to watch for new developments related to the overtime rule, as some uncertainty remains. Until a final decision is reached in the case, employers can rely on existing overtime exemption rules.

DID YOU KNOW?

President-elect Donald Trump will be inaugurated on **Jan. 20, 2017**. In a [video address](#) published in late November, Trump released a plan for his first 100 days in office.

During his campaign, Trump called for a repeal of President Barack Obama's health care reform legislation, the Affordable Care Act (ACA). However, his plan does not indicate that he will be repealing it in the first 100 days of his presidency. Instead, his plan is focused on issues that include proposals related to immigration, defense policies and trade deals.

AxisPointe Benefit Advisors will continue to monitor the presidential transition and any changes that will be made, and provide updates as necessary.

ACA Reporting Deadline Delayed

In mid-November, the Internal Revenue Service (IRS) issued [Notice 2016-70](#), which extends the due date by 30 days for furnishing forms under Sections 6055 and 6056 for 2016 and extends good-faith transition relief from penalties related to 2016 Section 6055 and 6056 reporting. The IRS does **not** anticipate extending the deadlines or transition relief from penalties to reporting for 2017.

What Is Good-faith Transition Relief?

In determining good faith, the IRS will take into account whether a reporting entity made reasonable efforts to prepare for reporting the required information to the IRS and furnishing it to individuals (such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the IRS or testing its ability to transmit information to the IRS).

Important Dates to Remember

The 2016 furnishing and reporting deadlines are as follows:

- **March 2, 2017**—New deadline for furnishing 2016 Forms 1095-B and 1095-C to individuals
- **Feb. 28, 2017**—Deadline for 2016 filing with the IRS in paper form
- **March 31, 2017**—Deadline for 2016 filing with the IRS electronically

HR Brief

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DOL Overtime Rule Blocked

On Nov. 22, 2016, a federal judge in Texas issued a preliminary injunction, halting the enforcement of the Department of Labor's (DOL) new overtime rule until further notice. This means employers can continue to follow the current mandates set by the Fair Labor Standards Act (FLSA) until any new announcements are made regarding the overtime rule.

The rule, originally scheduled to take effect on Dec. 1, 2016, would have increased the salary threshold for the "white collar overtime exemptions" to \$47,476 per year. This prompted some employers to make adjustments ahead of the rule deadline.

Employers who already adjusted salaries and employee classifications have the ability roll back those changes, but should consider employee morale before simply retracting those adjustments. It is important for the HR department to clearly communicate next steps to applicable employees, so they aren't left speculating.

The Future of the Overtime Rule

There is much uncertainty surrounding the overtime rule's future, but it could still be implemented down the road. With this in mind, some employers may keep their adjustments, while others may roll back the changes until a final decision is made.

Other political entities like Congress or President-elect Donald Trump could further delay the rule, or take action to strike it down completely; however, it is not clear what approach would be taken to accomplish either scenario.

Overtime Rule Takeaways

- A federal court ruled that the overtime rule will not take effect on Dec. 1 as scheduled.
- Congress or the Trump administration may take action in the future to change or block the overtime rule.
- Employer should watch for future developments on the overtime exemption rules.

DID YOU KNOW?

Millennials could make up 75 percent of the workforce by 2025, according to a Gallup survey. More staggering is that 60 percent of millennials are open to a different job. Here are some quick tips to retain your millennial workers:

- Promote a good work-life balance.
- Provide career growth opportunities.
- Encourage internal role changes—instead of having employees look outside the company.

Handling Election Tension in the Office

Politics are an especially polarizing force that separate us from one another. That divide is felt at home, in public and even in the workplace—where it can be particularly disruptive, according to a Society for Human Resource Management (SHRM) article.

After the election, some employees reported coming into work with feelings of grief, sadness, lethargy and dread for the future. Political discussions sprang up and increased tension between workers, causing some to lose focus on their actual work duties.

After such a contentious election, it's important to keep workplace conversations professional. Here are some tips for avoiding conflicts with co-workers:

- Vent to those with similar political views outside of the office.
- Don't gloat or sulk over the election—whichever is the case.
- Don't indulge polarizing arguments.
- Encourage managers to listen and halt disruptive political conversations.

