

Fair Labor Standards Act

NEW [Interpretation on Mortgage Loan Officers](#) (March 24, 2010)

New Overtime Rules Impact Financial Institutions

On April 20, 2004, the U.S. Department of Labor (DOL) issued new regulations revising for the first time in over fifty years, the “white collar” exemptions from the overtime requirements of the Fair Labor Standards Act (FLSA). The FLSA generally requires that most employees be paid at least the federal minimum wage (currently \$5.15/hour) for all hours worked over 40 hours in a single workweek. Under these exemptions, employers are not required to pay the minimum wage and overtime pay to certain classes of employees that meet both a salary and duties test. ***The new rules are set to take effect on August 23, 2004.***

Of particular interest to the banking industry is the clarification concerning the duties of financial services employees. Specifically, DOL has added to the Administrative Employee Exemption, language describing the types of activities engaged in by financial services employees (particularly loan officers or loan counselors) that will likely make them exempt from the overtime requirements. This is particularly important because of the proliferation of lawsuits concerning misclassification of these employees.