



May was a busy month in the HR world, with two key rulings that will most likely impact your business.

On May 11, 2016, President Obama signed into law the Defend Trade Secrets Act (DTSA) giving companies greater access to federal courts and allowing for the civil seizure of property to prevent dissemination of trade secrets. As of May 12, 2016, if you have Non-Disclosure Agreements in place, you will need to modify them to include a notice of immunity. There is no small business exemption for this requirement.

On May 18, 2016, The Department of Labor (DOL) issued a final rule regarding changes to the overtime regulations under the Fair Labor Standards Act (FLSA). There are 3 key changes that you need to be aware of:

- **Salary Level Will Increase.** The standard salary level to meet the salary basis test for exempt status will increase significantly from \$455 per week to \$913 per week (\$47,476 annually for a full-year worker).
- **Changes to Highly Compensated Employees (HCE).** The total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test will rise from \$100,000 to \$134,004.
- **Automatic Increases to the Salary Level.** The salary level (including for highly compensated employees) will automatically update every 3 years.

The effective date for salary level and HCE changes is December 1, 2016. The automatic increases will take effect on January 1, 2020. You must prepare now to comply by December 1, 2016.

HR Kinections offers Virtual HR at a low monthly cost and can help you navigate through all of your employee needs, including assistance with complying with the above rulings.

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