

O'Donnell in HR Magazine: Overtime Rule, Raise Salaries or Reclassify Employees?

May 9, 2024 Laura O'Donnell

PRACTICES Traditional Labor Law, Employment Litigation, Labor and Employment

Haynes Boone Partner [Laura O'Donnell](#) was quoted in an *HR Magazine* article after new minimum salary requirements for exempt workers are causing employers with exempt employees to decide whether to raise salaries or reclassify employees as nonexempt.

“In deciding exempt versus nonexempt classification, HR will want to initially consider the economic impact of classification decisions,” said O'Donnell.

For example, does an impacted employee often work overtime? If so, and the employee is reclassified as nonexempt, the employee's total compensation would likely increase, she said. “And if the compensation, with overtime, will likely increase, will this increase exceed the new salary minimums?” O'Donnell asked. “If so, increasing the salary may be a better option than reclassification. Conversely, if the employee rarely works overtime, it may make more economic sense to reclassify the employee as nonexempt.”

To read the full article in *HR Magazine*, click [here](#).