

FairPay Rule: Department of Labor's New FLSA Regulations

On April 20th, the U.S. Department of Labor has finally issued the new and final regulations to the Fair Labor Standards Act (FLSA). Employers now have less than 120 days to bring their companies in compliance with the law.

The Labor Department estimated a few months ago that more than half of all U.S. companies had incorrectly classified employees under the FLSA before the new rules were issued. Employers across America will have to evaluate each employee's actual job duties and wages under the regulations' new criteria to determine who can be paid a salary and who must punch timecards, to ensure overtime compliance under FLSA.

The new regulations effective, August 23, 2004, are different in several key aspects from the regulations that the Department of Labor proposed in March of 2003. Some examples of the new rules:

- ◆ The long and short tests for classifying people exempt or non-exempt were eliminated. Now it is irrelevant if an employee spends 20% or the majority of his or her time on non-exempt duties.
- ◆ Currently, employees who earn at least \$8,060 annually can be classified as exempt if they perform certain duties or have certain responsibilities. Under FairPay, this becomes \$23,660 a year (\$455 a week) and people making less than that are automatically eligible for overtime.
- ◆ FairPay does retain the long-standing FLSA truism that an employee's title doesn't determine his or her exempt status, but it mandates that an employee's specific job duties and salary must meet specified criteria or an overtime exemption cannot be granted.
- ◆ Significant alterations have been made in the factors that determine the executive, administrative, professional, computer employee, and outside sales exemptions.
- ◆ A new exemption for "highly compensated employees" was created, and new rules were adopted to cover police, fire fighters, paramedics and other first responders.

Employers who do not thoroughly assess their procedures to ensure that their employees are classified accurately under these new FLSA rules will run some serious potentially expensive risks, including Department of Labor audits and even class-action lawsuits.

Will these changes affect your organization? The answer depends on the number of employees who fall close to the margins for change either through the new salary thresholds or the new duties tests. Employers simply cannot afford to neglect protecting themselves. D. Gallant Management Associates can assist you in this crucial process of defining whether your employees' positions are exempt or non-exempt. We can also assist you in reviewing and re-writing your company's job descriptions to ensure compliance with these new rules and regulations.

If you have questions about our services, need training in this area, or would like more information about the new regulations, feel free to contact our office at (207) 773-4800.



SAVE THESE DATES... TWO FALL SUPERVISORY SEMINARS

Basic Supervisory Skills Training

This training program will emphasize practical skills and methods that supervisors will be able use immediately to improve their effectiveness in communication, in working with people, and in applying basic management tools!

FRIDAY, SEPTEMBER 17, 2004 9:00A.M – 4:00 P.M.

Advanced Supervisory Skills Training

This intensive and informative program provides a focus on the critical management tools that all Supervisors need to get superior results! Regain techniques they may have forgotten, exchange ideas and increase effectiveness!

FRIDAY, OCTOBER 8, 2004 9:00 A.M. – 4:00 P.M.



REMINDER: If you cannot make these dates, we are available to **customize** the supervisory training content and bring it **on-site** for your employees at a very reasonable cost!

If you'd like more information or would like to have a slot reserved, please call Nancy Blanchard in our offices at (207) 773-4800.

the *President's Corner...*

Resolving Conflict in the Workplace

Conflict: *An antagonistic state or action involving divergent ideas, interests, or persons; a mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands.*

We can all agree that conflict is an inevitable and natural by-product of people having different needs, interests, ideas and goals. What's important is that when conflicts occur, they be recognized and dealt with, instead of ignored or swept under the rug.

Unresolved conflicts cause stress, frustration, and lost work time. They result in delayed decisions, mistakes, and increased employee turnover, illness, and absenteeism. Imagine the impact of valuing conflict in your organization and being a responder rather than a reactor. Imagine your employees moving from a position of rivalry to forming powerful alliances and handling challenging situations and personalities with ease and style.

Management researchers estimate that managers and supervisors spend anywhere from 25% to as much as 60% of their time resolving conflicts. This is costly to an organization!

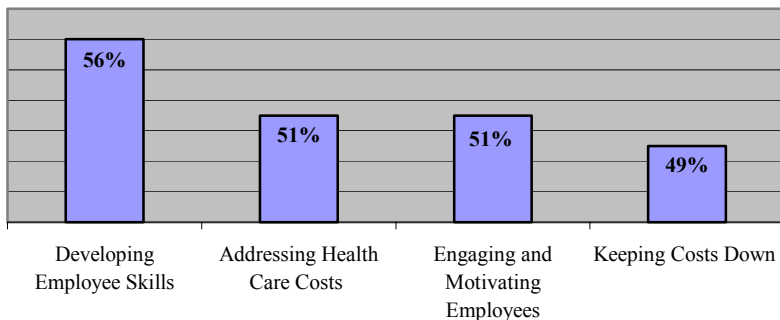
D. Gallant Management Associates has developed a workshop entitled "*The Art of Resolving Conflicts in the Workplace*" where attendees are taught six easily learned techniques for smoothing office conflicts and dealing with hostile or uncooperative co-workers. These simple, direct, and usable techniques quickly ease tensions, clear the air, and bring productive teamwork back into the workplace.

Call me anytime at your convenience so that we can discuss how you can prepare your organization to rechannel conflict into productivity and increased morale!

~ Deb

DID YOU KNOW . . .

...that when 267 HR Professionals were asked to say which strategic HR tasks they were called upon most frequently to perform in their organizations, 77% said **Recruiting and Retaining Employees?** Other top answers included:



Source: Clark Consulting, Barrington, IL

Maine's Minimum Wage to Increase Again



On Monday May 10th, Governor Baldacci signed into law, a bill to raise the state minimum wage to the current New England median by October 1, 2005.

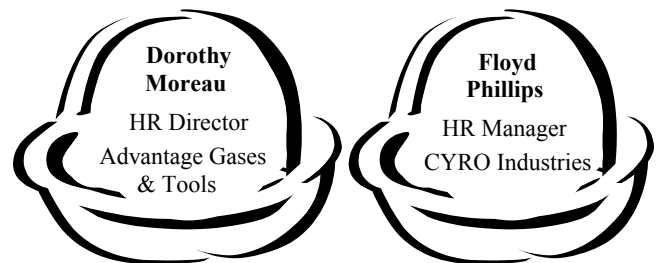
Maine's minimum wage will increase to \$6.35 an hour beginning October 1, 2004 and to \$6.50 an hour on October 1, 2005 giving Maine a minimum wage that is \$1.35 above the federal minimum of \$5.15 an hour and one of the ten highest in the country.

Maine joins 11 other states and the District of Columbia that have a minimum wage higher than the federal standard. The other states are Alaska, California, Connecticut, Delaware, Hawaii, Illinois, Massachusetts, Oregon, Rhode Island, Vermont and Washington.



Maine's last increase in the minimum wage, to \$6.25 an hour, took effect on January 1, 2003.

CONGRATULATIONS to the WINNERS of the LEN LIBBY'S GIFT BASKETS



Both Dorothy and Floyd visited D. Gallant Management Associates' exhibitor booth at the Human Resource Conventions held at the Marriot Sable Oaks and the Samoset.

IS YOUR ORGANIZATION MEETING CUSTOMER EXPECTATIONS?

In today's world of competition, success is achieved by exceeding the competition in areas of customer service and presentation. Are you?

D. Gallant Management Associates can help your organization determine whether you are, with their **Secret Shopper Service!**

The opportunity to evaluate associates through the eyes of a trained consumer will provide you with the objective information that your company may use to maintain and improve quality customer service.

Employees need a positive stimulus to meet the demands of daily interaction as they provide sales and information on behalf of your company for customers. Therefore, your company needs an effective way to verify that customers are receiving the attention and treatment that your company is striving to deliver.

Call our offices at (207) 773-4800 for more information about this beneficial service!