Notice of Proposed Rulemaking: Overtime

The U.S. Department of Labor (DOL) is proposing a change to the regulations governing which executive, administrative, and professional employees (white collar workers) are entitled to the Fair Labor Standards Act’s minimum wage and overtime pay protections. The current salary threshold of $455 per week ($23,660 per year) was set in 2004. The DOL now seeks to increase the salary level required for exemption.

Key Provisions of the Proposed Rule
The Notice of Proposed Rulemaking focuses primarily on updating the salary and compensation levels needed for white collar workers to be exempt. Specifically, the DOL proposes to:

- set the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers ($921 per week, or $47,892 annually);
- increase the total annual compensation requirement needed to exempt highly compensated employees to the annualized value of the 90th percentile of weekly earnings of full-time salaried workers ($122,148 annually); and
- establish a mechanism for automatically updating the salary and compensation levels going forward.

In addition, the DOL discusses the current duties test and solicits suggestions for additional occupation examples and requests comments on the current requirements. Similarly, the DOL seeks comments on the possibility of including nondiscretionary bonuses to satisfy a portion of the standard salary requirement. The DOL is not proposing specific regulatory changes on either of these issues.

Background
Since 1940, the DOL’s regulations have generally required each of three tests to be met for one of the FLSA’s white collar exemptions to apply: (1) the employee must be paid a predetermined and fixed salary that is not subject to reduction because of variations in the quality or quantity of work performed; (2) the amount of salary paid must meet a minimum specified amount; and (3) the employee’s job duties must primarily involve executive, administrative, or professional duties as defined by the regulations.

Certain highly compensated employees are exempt from the overtime pay requirement if they are paid total annual compensation of at least $100,000 (which must include at least $455 per week paid on a salary or fee basis) and if they customarily and regularly perform at least one of the exempt duties or responsibilities of an executive, administrative, or professional employee identified in the standard tests for exemption.

How to Comment
The DOL encourages interested parties to submit comments on the Notice of Proposed Rulemaking. The full text of the Notice, as well as information on the deadline for submitting comments and the procedures for submitting comments, can be found at the Wage and Hour Division’s Proposed Rule website.
## County Spotlight

### Loudon County

**County Seat:** Loudon  
**Population:** 48,556

**County Government Consultant:** Wesley Robertson  
*wesley.robertson@tennessee.edu*

There aren’t many structures built in 1834 that are still standing, and only one (to the best of our knowledge) whose ownership became the subject of a pre-Civil War Tennessee Supreme Court case.

The Blair Ferry Storehouse was built by entrepreneur James Blair in 1834 and then claimed (along with the entire town surrounding it) by a Cherokee Indian named Pathkiller. It took 15 years, but in 1850 the court ruled in Blair’s favor. He died the next year, and the name of the town was later changed to Loudon, in honor of the French & Indian War fort that used to exist in this part of Tennessee (although the fort’s name is spelled LoudoUn).

For more information, visit [http://www.tnhistoryforkids.org](http://www.tnhistoryforkids.org)

## Upcoming Training Opportunities

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<tr>
<th>Date</th>
<th>Time</th>
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<th>Location</th>
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<tr>
<td>07/30/2015</td>
<td>12:30p to 12:00p CDT</td>
<td>The Hidden Curriculum: Life Lessons You Won't Learn in a Classroom Workshop</td>
<td>Franklin - Embassy Suites</td>
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<tr>
<td>08/07/2015</td>
<td>8:30a - 12:30p EDT</td>
<td>National Flood Insurance Program Administrative and Legislative Training</td>
<td>Knoxville - UT Conference Center</td>
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<td>08/11/2015</td>
<td>8:30a - 12:30p EDT</td>
<td>Courthouse Security</td>
<td>Johnson City - Carnegie Hotel</td>
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<tr>
<td>08/12/2015</td>
<td>8:30a - 12:30p EDT</td>
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<td>Knoxville - Bridgewater Place</td>
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<tr>
<td>08/18/2015</td>
<td>8:30a - 12:30p CDT</td>
<td>Courthouse Security</td>
<td>Jackson - Madison County Regional Health Dept</td>
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<tr>
<td>08/19/2015</td>
<td>8:30a - 12:30p CDT</td>
<td>Courthouse Security</td>
<td>Murfreesboro - Doubletree Hotel</td>
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<td>08/20/2015</td>
<td>8:30a - 12:30p EDT</td>
<td>National Flood Insurance Program Administrative and Legislative Training</td>
<td>Colliedale - City of Colliedale Municipal Building</td>
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<td>08/24/2015</td>
<td>8:30a - 12:30p EDT</td>
<td>National Flood Insurance Program Administrative and Legislative Training</td>
<td>Kingsport - Meadow View Conference Resort</td>
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<td>08/27/2015</td>
<td>8:30a - 12:30p CDT</td>
<td>National Flood Insurance Program Administrative and Legislative Training</td>
<td>Bartlett - Bartlett Station Municipal Center</td>
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<td>08/28/2015</td>
<td>8:30a - 12:30p CDT</td>
<td>National Flood Insurance Program Administrative and Legislative Training</td>
<td>Jackson - Jackson Energy Authority</td>
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<td>08/31/2015</td>
<td>8:30a - 12:30p CDT</td>
<td>National Flood Insurance Program Administrative and Legislative Training</td>
<td>Franklin - Franklin Police Department</td>
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## CTAS Training | Events Calendar

[July 2015 Chart of Accounts Now Available](#)  
[Click here to view the revisions](#)
Hospitalized Inmate Healthcare Coverage

Public Chapter No. 926 amended Tennessee Code Annotated, Section 71-5-106 by adding the following as a new subsection:

\[(r)(1)\] An individual who is an inmate of a public institution shall have eligibility for medical assistance suspended but not terminated during period of actual incarceration.

\[(2)\] An individual who is an inmate of a public institution shall be eligible for temporary reinstatement of medical assistance for care received outside of a jail or correctional facility in a hospital or other health care facility for more than twenty-four (24) hours.

\[(3)\] A public institution may make efforts to establish eligibility for or renew assistance for such individuals prior to their release from the public institution.

This act took effect on April 1, 2015.

A recent meeting with TennCare officials indicates that the process for identifying inmates in local jails who are TennCare recipients was started on April 1, 2015. “Specifically, we have established a system through which we obtain census data on inmates from state and local penal facilities, and we now suspend Medicaid eligibility for any such inmates as appropriate. We also report an inmate's suspension status to health care providers via the ‘TennCare Online Services’ (also known as TN Anytime).”

According to TennCare this information is being captured through the Apreiss System. To address the high rate of inmates and the short time that an inmate is booked in and out of local jails, TennCare does not place a TennCare inmate recipient into a suspended status until their 90th day of incarceration.

Counties may recognize cost savings for inmates who were TennCare recipients at the time of incarceration and who are hospitalized for a period over 24 hours during incarceration. Inmates that have been in custody over the 90 day period and become hospitalized (for a period over 24 hours) may be eligible for payment of that inpatient care.

We recommend that you work with your local hospitals when an inmate becomes hospitalized to determine TennCare eligibility.

Please contact your County Government Consultant or CTAS directly at (615) 532-3555 with any questions.