



November 2016

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NEWSLINK.THESURVEYGROUP.COM**SURVEY UPDATE****In Process**

2017 Compensation Planning Survey

Results Available Online

Members log in to view results for those surveys in which your organization participated.

2016 Turnover Survey
(Available Oct 6)

2016 - 2017 Holiday Survey

2016 Benchmark Compensation Survey

2016 Employee Programs & Practices Survey

2016 Compensation Planning Survey

2015 Board of Directors Survey

2015 Turnover Survey

2015 Employee Benefits Survey

NEW FLSA RULE CHANGES**Change Date: December 1, 2016**

Bruce McLaughlin, President, The Survey Group

The new Final Rules, setting the standards for exempt versus nonexempt classification of employees in accordance with the Fair Labor Standards Act, will change on December 1, 2016. In order to be in compliance, all exempt employees must be paid a minimum annual salary of \$47,476. Otherwise, the employee will need to be classified as nonexempt and be subject to overtime pay. For some companies this may require changes to the grade range minimum pay at the lowest exempt grade levels as the minimum of the range cannot be set below this \$47,476 threshold.

Many companies will need to review their jobs to determine if employee positions are properly classified, and may need to make pay adjustments for exempt employees currently paid less than the new minimum annual salary of \$47,476. The job duties test still applies as those employees performing "hands on" work are still to be classified as nonexempt and are eligible for overtime pay. Highly skilled- trades positions such as machinists, may be paid well above \$47,476 per year but cannot be converted to exempt employees due to the nonexempt duties performed in the position. Companies must be certain as to proper job classifications to be in compliance with these new DOL regulations, which are coming into effect quickly on December 1, 2016.

**NEW MINIMUM WAGE
FOR MASSACHUSETTS****Change Date: January 1, 2017**

On January 1, 2017, the new minimum wage in Massachusetts will be \$11.00 per hour. This represents an increase of 10% from January 1, 2016. There are some exceptions to this

legislation, such as agricultural and restaurant positions.

The implementation of the new minimum wage will create a pay compression effect among the lower skilled jobs. Envision one of the lowest skilled workers with an hourly wage of \$10.00 per hour. On January 1, 2017, it will jump to \$11.00 per hour. What happens to the more skilled worker whose wage is currently \$11.25 per hour and whose job is of more value to the organization than the first worker?

Now a ripple effect comes into play and continues up the job skill levels. The question that now becomes clear is, should a pay adjustment be made to the second worker at \$11.25 per hour, and how much?

Organizations have responded to the twin challenges of salary compression and this ripple effect in a number of ways, such as:

- Accelerate pay increases
- Grant one time pay adjustments
- Update wage/salary grade structures
- Ensure that pay ranges are pegged to the market

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STEVE BOYCE JOINS TSG AS VP CONSULTING SERVICES



Steve brings to TSG his broad background in Domestic and Foreign compensation. His experience includes presenting a wide range of compensation plans for all levels of an organization (Board of Directors, Top Executive, Division Heads and Managers). The compensation plans developed have included various incentive plans, stock grants, expatriate executive compensation and employee base pay. He has also designed and implemented a wide range of compensation and benefits programs for high tech, financial, manufacturing and public utilities organizations.

Prior to joining The Survey Group, Steve held managerial positions at Entegris Inc., Citizens Financial Group, Bay State

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Gas and GTE.

Steve earned an MPA from the Whittemore School of Business and Economics at the University of New Hampshire with a minor in Labor Economics, a BS in Public Administration Summa Cum Laude from Nichols College, and a BS in Industrial Engineering from Central New England College.

He has taught at Worcester Polytechnic Institute and Nichols College as an Adjunct Professor. In addition, he has also conducted professional seminars for The Survey Group on development and design of compensation programs, sales incentives and Expatriate compensation.

Interested in more information regarding our consulting services? Contact Steve at 781-345-7511 or steveb@thesurveygroup.com to get started.

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The Survey Group provides the expertise and resources to resolve virtually all your human resources challenges. Learn about TSG membership, compensation and benefits surveys, consulting services, software, seminars and more at www.thesurveygroup.com or by calling 781-345-7500.

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