Current Event Analysis 3 – Exempt or Non-Exempt

Student’s Name

Institution

**Introduction**

For decades, over time has been an issue under looked by employers in the United States. Though it is offered specifically for certain positions, employers under the minimum wages have been excluded from the overtime payment since 2004, and this has introduced debate whether it justifies paying overtime to minimum wage workers. Until recently, the issue has never been considered until the Department of Labor proposed it through the secretary of labor. This has introduced the concept of exempt and therefore, it is important to look at the issue considered for exemption. The concept of exempt and non-exempt are terms used to describe whether a specific employee should be paid overtime or not. According to labor laws, proposed by the department of labor, exempt employees or positions are not included from overtime, minimum wage, and other rights and protection, which are received by nonexempt workers. Employees or position which fall under exempt are paid salary rather than minimum wages, and therefore, employers are required by law to pay certain salaries based on the standard set by the labor laws.

The U.S Department of Labor (2019) pointed out that the rate payable to employees differs, and the difference is based on the position in the company. Typically, most positions such as supervisory, executive, professional and sales positions are exempt positions in several organizations. The exemption is based on the recently enacted labor laws such as the Fair Labor Standards Act’s (FLSA), which has defined the terms and requirements for each position to be part of exempt. A study conducted by Pizzella (2019) on payment and remuneration system adopted by most companies in the United States, indicates that most exempt are based on a position and the kind of experience and skills offered by an individual employee. This means that not all employees are guarantee exempt and therefore, the ratio or method of application is also differences. This paper, therefore, analyzes the exempt and no exempt application and focus on the job and job description. The analysis of the application of exempt or no exempt is focusing on Junior Accountant of an organization.

**Should the proposal be accepted and enacted as law?**

The proposal to implement overtime is good and therefore, it should be considered. For decades, American workforces have never received overtime pay for work done. Workers are classified in the same group, and therefore, workers are paid on an hourly basis. With the enactment of the overtime law, workers would be able to enjoy the benefit of overtime. The payment of overtime would for the benefit of employees and employers. Pizzella (2019) concluded that overtime payment motivates employees. Employees tend to work extra hard to achieve task goals within a certain time. Therefore, overtime is likely to improve the performance of employees and, therefore, improve the productivity of a company hence increase in profit.

It is also important to state that setting the threshold for exempt makes the proposed rule to be implementable, and therefore, it should be accepted. It is evident that by setting rules and regulations on overtime, not positions will receive overtime pay and therefore, the company has will be able to streamline its workforce and also the wage system. The exempt act means that an organization can now be able to streamline its workforce and reorganize its positions so that employees and the company can benefit from the law. An organization would be able to set its payment system for overtime and other bonus, which are not regulated by minimal law. This, therefore, can allow a company to reduce its wage bill by ensuring that certain numbers of positions are classified under exempt and nonexempt as well.

However, the proposal should be enacted and implemented by the labor n industry. The proposal will raise the standard salary level, and this will be a good action towards benefiting employees, something which has been missing for decades. The proposal intends to increase the minimum weekly wages for workers from $455 to $684, and this will raise the annual payment of workers to $ 35,568 per year. It will also increase the minimum payment or compensation for highly compensated employees from $100,000 to $107432 per year. It will also permit employees to utilize nondiscretionary bonuses and other incentive payments. These incentives are paid annually, which can go up to 10% of the standard salary, which is paid in a specific job position. The act also revisits the special category salary for workers within the U.S. the territories. The revisiting of the special categories proposes to be ideal for payment of special interest groups, who have been left behind in terms of better remuneration for years.

The proposal made is also an achievement in the labor industry because it intends to improve the welfare of workers in the country. Through the implementation of the proposal made, the employees will benefit, and the welfare of workers will improve. Payment of overtime is regarded as an achievement since many organizations have never imagined of such laws, which could change the labor industry. It intends to validate some of the laws which have been invalided, and therefore, it will ensure that workers are paid based on what they have done. It will benefit over 1.2 million workers who are accessible to minimum wage, and therefore, a good number of workforce earnings will improve. It is also a good proposal because it will allow employers to count a certain part of the bonuses or commissions which are paid to meet the salary level set. It is, therefore, increase employee's earnings since 2004 when such acts were enacted to improve the earnings of workers (US Department of Labor, 2019). It is, therefore, important to accept the proposal on overtime payment as drafted by the labor industry. If it is accepted as a proposal, there would be a lot of improvement in the performance of workers. It is likely to motivate employees on minimal wages and also increase their monthly earnings and, therefore, an improvement in the general living standard of workers on minimum wage across the country.

**Junior accountant**

In most organizations, a junior accountant is an employee on a permanent contract with a lot of responsibilities. It is a senior position within an organization and deals with several responsibilities in which the performance of a company depends on to succeed. Junior accountant in any organization report directly to an accountant or auditor of an organization, and therefore, he or she has a critical role to play in ensuring that an organization succeeds in achieving its goals and objectives. The role and responsibilities of a junior accountant in an organization is illustrated below:

**Junior Accountant Job Description**

**Summary/Objective**

The Junior Accountant is an entry-level position responsible for assisting the Finance department in creating accurate and timely financial records for the organization. This position reports to the Accounting Manager.

**Essential Functions**

Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

1. Prepare accounting records, including financial statements and other financial reports, to assess accuracy, completeness, and conformance to standards defined within the department.
2. Report to the accounting manager the finances of the organization.
3. Establish records of accounts and input entries into to proper accounts.
4. Document and ensure the proper keeping of financial records, making use of current technologies.
5. Prepare forms and manuals for accounting and bookkeeping personnel.

**Competencies**

1. Financial Management.
2. Ethical Conduct.
3. Thoroughness.

**Supervisory Responsibility**

This Junior Accountant role has no supervisory responsibilities.

**Work Environment**

This job operates in a clerical, office setting.  This role routinely uses standard office equipment such as computers, phones, photocopiers, filing cabinets, and fax machines.

**Physical Demands**

This is a largely sedentary role however some filing is required.  This would require the ability to lift files, open filing cabinets and to bend or standing on a stool as necessary.

**Position Type and Expected Hours of Work**

This is a full-time position; typical work hours and days are Monday through Friday, 8:30 a.m. to 5 p.m. Some flexibility in hours is allowed, but the employee must be available during the “core” work hours of 9:30 a.m. to 3:30 p.m. and must work 37.5 hours each week to maintain full-time status.

**Travel**

No travel is expected for this position.

**Required Education and Experience**

Bachelor’s degree in accounting or equivalent number of years of experience.

**Preferred Education and Experience**

1 year of experience in the accounting field.

**Other Duties as Assigned**

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Duties, responsibilities and activities may change at any time with or without notice.

Based on the job description, terms of employment, and other information related to a junior accountant, the junior accountant does not qualified to enjoy the overtime payment proposed in the new law and regulation by the department of labor. The proposed law stated that employees who are paid hourly should be the only employees who should be subjected to overtime payment. According to the proposed law, the administrative, executive and professional employees should not be subjected to overtime payment. This is because such employees already enjoy other benefits under the Fair Labor Standards Act (FLA), and therefore, they cannot enjoy overtime payment again ( US Departmetn of Labor, 2019). Therefore, a junior accountant is exempt, and the position does not qualify to benefit from the FLA new acts which increased the overtime payment. A junior accountant is a professional position, and it is also part of administrative, and therefore, the position does not qualify to be paid overtime.

 A junior accountant is like other administrative and professional positions and therefore, it is exempt. The position of a junior accountant is a field with a person with a bachelor's degree; one year of experience and job hours is specific within a period of the day. The working hour for a junior accountant is between 8.00 am to 5.00 pm from Monday to Friday. It means that the job description of a junior accountant is very specific and therefore, the salary does not fall under the minimum wage. Junior accountants are paid weekly salary, and according to the FLA, the new scale of a junior accountant could fall between $455 and $684, and this could mean that the annual payment of junior accountant could be $35,568, which is among the middle payment in the country. A junior accountant also falls and administrative, and therefore, the position is entitled to other benefits such as commission, bonuses and other incentives, which employees under the minimum wages do not enjoy.

Junior accountant does not fall under FLSA of the minimal wage and overtime requirement because the position is a professional and senior position in a company which enjoys other lucrative benefits provided by companies. The compensation of junior accountant is also high and therefore, subjecting to FLSA would not be possible. According the new regulations the FLSA is mostly enjoyed by casual workers who are getting paid based on hourly worked. The tabulations of these types of employees are tagged on the hours and the work completed. It is therefore, evident that junior accountant does not fall under FLSA and therefore, an employee in this position cannot receive overtime as described by the new proposed law and therefore, it is subjected to the old law. This means that junior accountants are paid commission and other benefits which are enjoyed by executive and administrative.

 The analysis of the proposed new laws and regulations indicates that exemptions is based the rate of payment, job description, which include terms of employment. For instance, junior employees are paid weekly and there is a standard set for payment where employees are paid commission other benefits. The types of job or positions are also used to decide whether a position should be exempted from FLSA newly proposed laws and regulation. Therefore, whether a position is subjected to FLSA or not is based on a number of factors and these factors are used to determine where classified a position.

# References

US Departmetn of Labor. (2019). Wage and Hour Division: Final Rule: Overtime Update. *https://www.dol.gov/whd/overtime2019/* , 2-15.

Pizzella, P. (2019). More Overtime Pay May Be Coming Your Way. *Wall Street Journal* , 2-18.

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