

Am I salaried or hourly?

Q. I recently hired on to a new company and could use some advice. On my second interview with my new company, I was offered a salary on a yearly basis. I accepted this offer and began work. The paperwork I signed accepting this offer also had the same figure termed as "annual."

After one month of working, the company was purchased by a leading retailer. They announced this to all the employees and said that we would be a wholesale division of the retailer. When I received my "Welcome to the team!" letter from this retailer, I was addressed as an hourly employee. This was surprising, to say the least. I thought I accepted a salaried position and now I'm being classified as hourly. After all, I was offered compensation termed as "annual," I don't "punch" in or out (or any other time sheet for that matter), and I came from a salaried position at my former employer. Therefore, I was sure that there must be a mistake, so I directly went to the individual who made me the offer not six weeks earlier. I explained my concern to him and he told me he would get back to me.

After a week I asked him about it again and he told me that there is a federal law that says only certain positions are eligible for salaried compensation and I do not meet those requirements - specifically, the number of employees I directly supervise. Is there really a federal law concerning this situation?

A. Your company is right; there is federal law called the Fair Labor Standards Act that does require that certain jobs are either exempt or not exempt from the law. There are several tests that determine a job's exemption from the law. More information can be found at the [Department of Labor's website](#). Without knowing the specifics of your job description, I have to say that it is possible that your job is not exempt and does requires your company to classify your job as nonexempt.

I know you may perceive this new classification as a bad thing however; I would encourage you to look at some of the positive aspects of this change. For instance, if you work more than 40 hours a week you will receive time and a half. If you have to come in on a weekend or holiday after you have worked for 40 hours, you may receive double time and a half.

Having said all that, I would ask your Human Resources Department to explain to you why your job has been recently classified as a nonexempt job. Even if you disagree with the decision you ought to be able to understand the rationale behind their decision. It's also important to keep in mind that regardless of whether you're job is exempt or not exempt from the federal law it is very important the company pay you a competitive rate. So, whether or not the company decides to change your status, make sure they pay you a competitive rate for the position.