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Day-Rate Rules Result in Overtime Pay for Exempt Highly Compensated Employee



The U.S. Supreme Court recently ruled in *Helix Energy Solutions Group v. Hewitt* that a daily-rate worker who earned over \$200,000 annually was not exempt from the Fair Labor Standards Act's overtime requirements. In an opinion authored by Justice Elena Kagan, the Court held that compensation based on a daily rate did not satisfy the "salary basis test," which is required for an employee to be exempt from overtime compensation. The decision, while specific to day-rate compensation, also applies to exempt employees paid an hourly or shift rate.

Further discussion of the Court's decision and its implications for employers and employees is found [here](#).

Authors

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