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## Question of the Week

OCTOBER 05, 2022

### QUESTION

We would like to reclassify an employee from exempt to nonexempt status. Is it okay to do this? What do we need to do to change their status?

### ANSWER

Yes, it's possible to make this change. Any employee can be classified as a nonexempt employee, although we generally recommend that all employees in the same role have the same classification.

That being said, exempt employees sometimes feel there is a certain "status" involved in being salaried and exempt. If you decide to reclassify an employee, aim to do so in a manner that does not denigrate them or cause them to become disengaged.

When reclassifying employees from exempt to nonexempt, it's important to clearly communicate the change in writing, make the change effective in payroll and job descriptions, and communicate your policies and expectations that will be affected. You'll also want to ensure that managers understand all applicable wage and hour laws impacting nonexempt employees and how they may affect their day-to-day work. These may include:

- Taking meal and rest breaks
- Properly tracking their time
- Reporting any overtime worked

We also highly recommend that you implement this change with advance notice to the affected employees and with an effective date that falls on the start of a workweek and your payroll cycle. This gives you time to communicate your expectations and train your employees on the policies they'll need to follow now. We recommend obtaining a written acknowledgment from the affected employees showing their understanding of these changes.

If you are reclassifying the employee because you realized they have been misclassified as exempt, you may want to speak with an employment attorney first since the change may tip the employee off that they were previously missing out on overtime or other benefits.

*This Q&A does not constitute legal advice and does not address state or local law.*