

LEGAL ALERT

APRIL 26, 2024



DOL ANNOUNCES NEW SALARY THRESHOLD FOR WHITE COLLAR EXEMPTIONS

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On April 23, 2024, the U.S. Department of Labor (DOL) announced that effective July 1, 2024, the salary threshold for the overtime exemption for employees employed in a bona fide executive, administrative, or professional capacity will increase from \$684 per week (\$35,568 per year) to \$844 per week (\$43,888 per year). The salary threshold will increase again on January 1, 2025, to \$1,128 per week (\$58,656). To keep pace with changes in employee pay and to remain effective in helping determine exemption status, the DOL will update the salary threshold every three years, beginning July 1, 2027, to reflect current wage data.

The salary threshold is one of three factors which determines whether an employee falls within the executive, administrative, or professional exemption from federal overtime requirements. To be considered exempt, the employee must:

- Be paid a salary;
- Be paid at least the specified weekly salary level; and
- Primarily perform executive, administrative, or professional duties, as provided in DOL regulations.

The DOL also announced that the salary threshold for highly compensated employees will increase to \$132,964 per year effective July 1, 2024, and to \$151,164 per year, effective January 1, 2025. The salary threshold for highly compensated employees will likewise be updated every three years.

With the proliferation of wage and hour litigation, employers should take this opportunity to review employees' primary duties to confirm continued compliance with the standard duties tests, in addition to compliance with the new salary threshold.

If you have questions regarding your wage and hour compliance, including classification of employees, please contact a member of Hahn Loeser's [Labor and Employment Practice Group](#).

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