

Labor Department Increases Overtime Salary Threshold to \$58K Per Year in Final Rule

On April 26, 2024, the Department of Labor’s Wage and Hour Division (DOL) issued a final rule that will increase the minimum salary threshold for the “white collar” overtime exemption under the Fair Labor Standards Act (FLSA) from \$35,568 to \$58,656 per year. To be exempt from overtime pay under this provision, workers must be paid a salary of at least \$58,656 and must also meet certain job duties for [executive](#), [administrative](#), and [professional](#) employees. Workers with a salary below this salary threshold must be paid overtime if they work more than 40 hours a week.

DOL released the following implementation schedule for the final rule:

Compliance Date	Salary Level	Salary Level Percentile or Calculation
Current	\$35,568 per year \$683 per week	2019 Final Rule- 20 th percentile of weekly earnings in lowest wage region (South) and retail industry, with 2019 data.
July 1, 2024	\$43,888 per year \$844 per week	2019 Final Rule methodologies with updated 2024 wage data.
January 1, 2025	\$58,656 per year \$1,128 per week	35 th percentile of weekly earnings in the lowest wage region (the South)
July 1, 2027	Will be calculated in 2027 and recalculated every 3 years. DOL will provide notice not fewer than 150 days before each future update.	35 th percentile of weekly earnings in the lowest wage region (the South)

The following are links to the U.S. Department of Labor to help you determine employee classification and overtime exemption qualification:

<https://www.dol.gov/agencies/whd/fact-sheets/17b-overtime-executive>

<https://www.dol.gov/agencies/whd/fact-sheets/17c-overtime-administrative>

<https://www.dol.gov/agencies/whd/fact-sheets/17d-overtime-professional>

<https://www.dol.gov/agencies/whd/overtime/rulemaking/small-entity-compliance-guide>

Please note that Batley CPA, LLC does not provide consulting or compliance services related to DOL employment and labor matters and we are unable to answer specific questions regarding compliance requirements. We are providing this information as a courtesy to make you aware of your obligation under the revised rules. Compliance with the DOL Overtime Rules is a legal matter. Questions regarding specifics of the revised rules should be directed to the U.S. Department of Labor or to your attorney.