



HR ALERT



DOL Issues New Final Overtime Rule: New Salary Threshold as of 7-1-24

POOL/PACT Human Resources (HR) is publishing this important Alert on the DOL Issues New Final Overtime Rule: New Salary Threshold as of 7-1-24. If you have any questions about how this may impact your employment policies or practices, please contact your HR Business Partner for more information.

The Department of Labor (DOL) has finalized updates to the Fair Labor Standards Act (FLSA) regulations, affecting salary threshold requirements for exempt and highly compensated employees.

Key Changes:

- **Effective July 1, 2024:** The standard salary threshold for exempt employees will increase to **\$844 per week** (\$43,888 annually); the total compensation threshold for highly compensated employees will increase to \$132,964 annually.
- **Effective January 1, 2025:** The standard salary threshold will rise to **\$1,128 per week** (\$58,656 annually) for exempt employees; the total compensation threshold for highly compensated employees will increase to \$151,164 annually.
- **Starting July 1, 2027:** Salary thresholds will be **updated every three years** based on current wage data.

Details about the new regulations are available on [the Department of Labor website](#).

If the rule goes into effect as planned, employees properly classified as exempt who currently earn less than the new standard salary threshold will either need to have their salary levels increased, or they will need to be reclassified as non-exempt and subject to federal minimum wage and overtime requirements. Keep in mind that exemptions are the exception; the DOL would rather all positions be classified as non-exempt and eligible for overtime.



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Similar rule changes in the last decade were subject to court challenges that delayed the implementation of the new salary requirements by several years. As such, employers should be aware of how the proposed changes will affect their workforce and make appropriate preparations, but it is recommended to wait to execute any changes to salary or employee classification until the rule reaches its effective date successfully. POOL/PACT HR will notify Members of any changes as needed.

If you have questions about this alert, please contact your POOL/PACT HR Business Partner.