



HR Highlights March 2024

Upcoming Changes to FLSA Exempt Threshold

The U.S. Department of Labor (DOL) regulatory agenda notes an April 2024 date for release of the final rule amending the regulations defining the “white collar” exemptions from the overtime and minimum wage requirements of the Fair Labor Standards Act (FLSA). The proposed rule sharply increases the minimum salary requirements for the executive, administrative, and professional (EAP) exemptions to apply. The salary threshold would increase from the current \$684 per week (\$35,568 per year) to \$1,059 per week (\$55,068 per year). This is a 55% increase from the current level. The minimum salary for application of the highly compensated employee (HCE) exemption would increase 34%, from \$107,432 per year to \$143,988 per year. However, the DOL has indicated the actual salary threshold will be based on earnings data as of the date the final rule takes effect. The DOL’s proposed rule would become effective 60 days after publication of a final rule. Consistent with previous efforts to implement threshold changes, experts anticipate the possibility of a legal challenges which may delay the final rule. DHRM will continue to monitor this regulation for impact to state agencies and will provide additional guidance after the final rule is published