

## Department of Labor Raises Threshold Limits for Bona Fide Exempt Employees in Final Rule

By **Karen D. Adinolfi**

The U.S. Department of Labor (DOL) recently released its final rule on the Fair Labor Standards Act, which raises the salary thresholds for the FLSA's overtime exemptions.

Under the FLSA, all employees of covered employers must earn at least the required minimum wage as well as receive overtime compensation for hours worked over forty in a workweek, unless they fall into one of the exemptions contained in the Act. Specifically, bona fide executive, administrative, and professional employees who meet certain tests are exempt from the minimum wage and overtime requirements. Among those tests is a "minimum salary" test, without which an employee may not be exempt.

The current salary threshold is \$684 per week, or \$35,568 per year. Under the DOL's final rule, as of July 1, 2024, the minimum threshold will increase to \$43,888 per year. On January 1, 2025, the minimum threshold will increase to \$58,656 per year, based on a new methodology. The salary threshold for highly compensated employees will increase from the current figure of \$107,432 to \$132,964 on July 1, 2024, and to \$151,164 on January 1, 2025.

The final rule provides for automatic updates to the minimum salary and highly compensated thresholds every three years based on the latest earnings data, beginning on July 1, 2027.

At this point, if you have not already, you should begin the process of reviewing your exempt employees' compensation to determine what, if any, action you should take in terms of either increasing salaries or allowing currently exempt employees to remain where they are and revert to the status of non-exempt. Any employee affected by your decision-making should be notified as far in advance as possible. It may also be a good time to review those exempt employees who will meet the new minimum threshold and ensure that their actual duties still meet the tests set forth in the FLSA.

If you need assistance with evaluating and implementing the new minimum salary thresholds as set forth in the DOL's final rule, let any one of the attorneys listed know.

**Aretta Bernard**

Practice Group Manager  
Employment Services  
330.849.6630 | [abernard@ralaw.com](mailto:abernard@ralaw.com)

**Heather Renée Adams**

312.241.9991 | [hradams@ralaw.com](mailto:hradams@ralaw.com)

**Karen Adinolfi**

330.849.6773 | [kadinolfi@ralaw.com](mailto:kadinolfi@ralaw.com)

**Bob Blackham**

216.615.4839 | [bblackham@ralaw.com](mailto:bblackham@ralaw.com)

**Michael Brohman**

312.582.1682 | [mbrohman@ralaw.com](mailto:mbrohman@ralaw.com)

**Barry Freeman**

216.615.4850 | [bfreeman@ralaw.com](mailto:bfreeman@ralaw.com)

**Morris Hawk**  
216.615.4841 | [mhawk@ralaw.com](mailto:mhawk@ralaw.com)

**Paul Jackson**  
330.849.6657 | [pjackson@ralaw.com](mailto:pjackson@ralaw.com)

**Stephanie Olivera Mittica**  
330.849.6671 | [smittica@ralaw.com](mailto:smittica@ralaw.com)

**Nancy Noall**  
216.820.4207 | [nnoall@ralaw.com](mailto:nnoall@ralaw.com)

**Danielle Young**  
216.293.5107 | [dyoung@ralaw.com](mailto:dyoung@ralaw.com)

This alert is informational only and should not be construed as legal advice. ©2024 Roetzel & Andress LPA. All rights reserved. For more information, please contact Roetzel's Marketing Department at 330.762.7725