

## U.S. Department of Labor Wage and Hour Division

### Final Rule: Restoring and Extending Overtime Protections

NOTICE: On April 23, 2024, the U.S. Department of Labor (Department) announced a final rule, [Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#), which will take effect on July 1, 2024. The final rule updates and revises the regulations issued under section 13(a)(1) of the Fair Labor Standards Act implementing the exemption from minimum wage and overtime pay requirements for executive, administrative, and professional (EAP) employees. Revisions include increases to the standard salary level and the highly compensated employee total annual compensation threshold, and a mechanism that provides for the timely and efficient updating of these earnings thresholds to reflect current earnings data.

Employees are exempt from the Fair Labor Standards Act's minimum wage and overtime protections if they are employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in the Department's regulations at [29 CFR part 541](#). To fall within the EAP exemption, an employee generally must meet three tests:

1. be paid a salary, meaning that they are paid a predetermined and fixed amount that is not subject to reduction because of variations in the quality or quantity of work performed;
2. be paid at least a specified weekly salary level; and
3. primarily perform executive, administrative, or professional duties, as provided in the Department's regulations.

The Department's regulations also provide an alternative test for certain highly compensated employees who are paid a salary, earn above a higher total annual compensation level, and satisfy a minimal duties test.

The final rule will increase the standard salary level and the highly compensated employee total annual compensation threshold on the rule's effective date on July 1, 2024, and on January 1, 2025, when changes in the methodologies used to calculate these levels become applicable. The final rule also provides for future updates of these levels every three years to reflect current earnings data.

These scheduled increases are displayed below.

<b>DATE</b>	<b>STANDARD SALAY LEVEL</b>	<b>HIGHLY COMPENSATED</b>
Before July 1, 2024	\$684 per week (\$35,568 per year)	\$107,432 per year
July 1, 2024	\$844 per week (\$43,888 per year)	\$132,964 per year
January 1, 2025	\$1,128 per week (\$58,656 per year)	\$151,164 per year
July 1, 2027*	To be determined at that time	To be determined

\*every 3 years thereafter