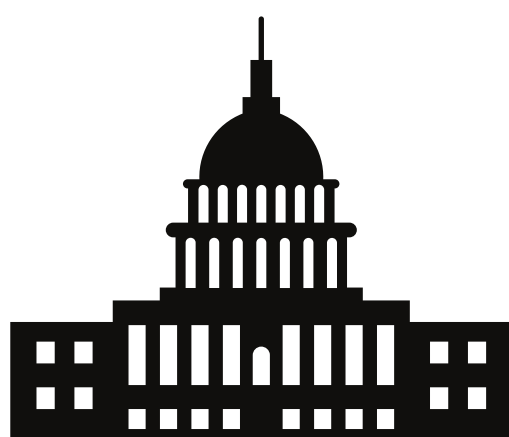


FLSA OVERTIME CHANGES: THE FINAL RULE

Effective July 01, 2024

The United States Department of Labor has issued a final rule that revises the Fair Labor Standards Act (FLSA) overtime regulations increasing the minimum salary that must be paid to an exempt-level employee in order to remain exempt from overtime pay.



\$35,568 ANNUALLY
(\$684 WEEKLY)



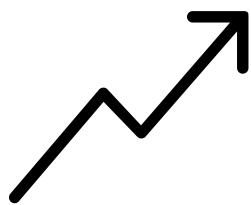
\$43,888 ANNUALLY
(\$844 WEEKLY)

EFFECTIVE JULY 1, 2024

The minimum salary requirement for exempt employees will increase to \$43,888 annually or \$844 weekly.

The minimum total compensation requirement for the Highly Compensated Exemption will increase to \$132,964

\$43,888 ANNUALLY
(\$844 WEEKLY)



\$58,656 ANNUALLY
(\$1,128 WEEKLY)

EFFECTIVE JANUARY 1, 2025

The minimum salary requirement for exempt employees will increase to \$58,656 annually or \$1,128 weekly.

The minimum total compensation requirement for the Highly Compensated Exemption will increase to \$151,164

The new rule will raise the salary threshold automatically every three years. The next update will take place on July 1, 2027.



- **Raise or reclassify?** Employers may reclassify exempt employees as non-exempt and pay overtime when applicable. This may be more cost effective than raising if the employee rarely works over 40 hours in a work week.
- **Employers may still use non-discretionary bonuses, incentive payments, and commissions to satisfy up to 10% of the salary.**
- **Questions? Contact your payroll processor at payroll@dunningcpa.com.**