

# Electronic Alert

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## DOL Increases Salary Requirements for White-Collar & HCE Exemptions

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Today, the U.S. Department of Labor (“DOL”) announced the Final Rule: Restoring and Extending Overtime Protections. The final rule amends the Fair Labor Standards Act regulations by increasing the salary threshold required for the bona fide executive, administrative, and professional exemptions (“white-collar exemptions”) in accordance with the following schedule:

- Current: Salary threshold is \$684 per week (\$35,568 per year).
- July 1, 2024: Salary threshold increases to \$844 per week (\$43,888 per year).
- January 1, 2025: Salary threshold increases to \$1,128 per week (\$58,656 per year).

The DOL’s final rule also increases the total annual compensation threshold for the highly compensated employee (“HCE”) exemption in accordance with the following schedule:

- Current: Total annual compensation is \$107,432.
- July 1, 2024: Total annual compensation increases to \$132,964.
- January 1, 2025: Total annual compensation increases to \$151,164.

On July 1, 2027, and every three years thereafter, the salary threshold for the white-collar exemptions and the total annual compensation for the HCE exemption will increase again, at an amount “to be determined by applying to available data the methodology used to set the salary level in effect at the time of the update.”

The final rule does not make any changes to these exemptions’ duties tests.

### **Employer Next Steps**

Employers should begin reviewing the salaries of exempt employees classified under the bona fide executive, administrative, and professional exemptions or the highly compensated employee exemption to ensure employees are properly classified according to the new salary requirements by the dates listed. If the employees at issue will fall below the salary threshold effective July 1, 2024, or January 1, 2025, employers will need to either increase the salaries to meet the corresponding threshold or else re-classify the workers to non-exempt.

*For questions about the DOL’s salary requirements or for any other wage and hour inquiries, contact Missy Oakley at 503-276-2122 or [moakley@barran.com](mailto:moakley@barran.com), or Andrew Schpak at 503-276-2156 or [aschpak@barran.com](mailto:aschpak@barran.com).*