



UPDATE!

On **April 23, 2024**, the U.S. Department of Labor (Department) announced a final rule which will take effect on **July 1, 2024**, regarding the **federal** salary exempt employees minimum salary thresholds

<https://www.dol.gov/agencies/whd/overtime/rulemaking>

EFFECTIVE DATE	SALARY LEVEL	HIGHLY COMPENSATED EMPLOYEE TOTAL ANNUAL COMPENSATION THRESHOLD
<u>Before</u> July 1, 2024	\$684/week (\$35,568/year)	\$107,432/year
July 1, 2024	\$844/week (\$43,888/year)	\$132,964 per year
January 1, 2025	\$1,128/week (\$58,656/year)	\$151,164 per year
July 1, 2027 & every 3 years thereafter	To be determined	To be determined



DID YOU KNOW?

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There are 2 tests a position must meet in order to qualify for an exemption from overtime under The Department of Labor's Federal Labor Standards Act – The Salary Test & The Duties Test.

A salaried employee in an exempt position must receive a salary meeting BOTH the federal & state minimum salary thresholds, if such differs from the federal threshold, in order to meet the exemption criteria.

Federal Minimum Salary threshold for overtime exemption:

Currently, the minimum salary threshold for exempt employees is **\$684 a week (\$35,568 annually)**

State Minimum Salary thresholds for overtime exemption:

- AK: \$938.40/week (\$48,796.80 annually)
- CA: \$5,546.67/week (\$66,560 annually)
 - As of January 1, 2024, certain employees engaged in computer software design and development will have to receive at least an hourly rate of \$55.58/hour, \$9,646.96/month or \$115,763.35 annually) may be exempt if the position also meets the duties test for exemption qualification.
- CO: \$1,057.69/week (\$55,000 annually)
- ME: \$816.35/week (\$42,450.20 annually)
- NY
 - In New York City as well as Nassau, Suffolk, and Westchester counties: \$1,200.00/week (\$62,400 annually)
 - Outside of New York City and Nassau, Suffolk, and Westchester counties: \$1,124.20 per week (\$58,458.40 annually)
 - NOTE: Each time the New York State minimum wage increases, the state's minimum salary required for executive and administrative employees will increase proportionately.
- WA: \$1,302.40 per week (\$67,724.80 annually)

As of January 1, 2024, computer professional employees will have to receive at least \$56.98/hour to be classified as exempt.

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