

Wage and Hour Division

Earnings thresholds for the Executive, Administrative, and Professional exemption from minimum wage and overtime protections under the FLSA

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Earnings thresholds for the Executive, Administrative, and Professional exemption from minimum wage and overtime protections under the FLSA

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NOTICE: The U.S. Department of Labor final rule, [Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#), takes 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.

The Department's regulations require executive, administrative, and professional (EAP) employees to be paid at least a minimum salary amount to be exempt from the Fair Labor Standards Act's minimum wage and overtime requirements under section 13(a)(1). In April 2024, the Department issued a final rule increasing the standard salary level for exemption, and the total annual compensation requirement for highly compensated employees, as detailed below.

Earnings Threshold	Minimum Salary Amount Before July 1, 2024	Minimum Salary Amount Beginning July 1, 2024	Minimum Salary Amount Beginning January 1, 2025
<u>Standard Salary Level</u>	\$684 per week (equivalent to a \$35,568 annual salary)	\$844 per week (equivalent to a \$43,888 annual salary)	\$1,128 per week (equivalent to a \$58,656 annual salary)

Earnings Threshold	Minimum Salary Amount Before July 1, 2024	Minimum Salary Amount Beginning July 1, 2024	Minimum Salary Amount Beginning January 1, 2025
Total Annual Compensation Requirement for <u>Highly Compensated Employees (HCEs)</u>	\$107,432 per year, including at least \$684 per week paid on a salary or fee basis	\$132,964 per year, including at least \$844 per week paid on a salary or fee basis	\$151,164 per year, including at least \$1,128 per week paid on a salary or fee basis
Special Salary Level for <u>Employees in Puerto Rico, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands (CNMI)</u>	\$455 per week (equivalent to a \$23,660 annual salary)	\$455 per week (equivalent to a \$23,660 annual salary)	\$455 per week (equivalent to a \$23,660 annual salary)
Special Salary Level for <u>Employees in American Samoa</u>	\$380 per week (equivalent to a \$19,760 annual salary)	\$380 per week (equivalent to a \$19,760 annual salary)	\$380 per week (equivalent to a \$19,760 annual salary)
Special Base Rate for <u>Employees in the Motion Picture Industry</u>	\$1,043 per week (or a proportionate amount based on the number of days worked)	\$1,043 per week (or a proportionate amount based on the number of days worked)	\$1,043 per week (or a proportionate amount based on the number of days worked)
Compensation Required for <u>Computer Employees</u> Paid on an Hourly Basis	\$27.63 per hour	\$27.63 per hour	\$27.63 per hour

Note: These earnings thresholds do not apply to certain types of employees, including doctors, lawyers, teachers, and outside sales employees.

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Wage and Hour Division

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DOL Announces Rule Increasing Minimum Salary Threshold for Exempt Employees

By [Kristin Ahr](#), [Mitch Boyarsky](#), [Matthew T. Brown](#), [Jeffrey Johnson](#), [Robert O. Sheridan](#)

The U.S. Department of Labor (DOL) announced on April 23 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 Rule is facing legal challenge in Texas^[1] but will go into effect if the legal action is unsuccessful or incomplete by the effective date. We previously posted an alert discussing the announcement of the DOL's proposed rule increasing the minimum salary threshold for exempt employees [here](#). Unlike the DOL's proposed rule, the final rule will incrementally increase the minimum salary level for overtime exempt classification between July 1, 2024 and the beginning of 2025.

Starting July 1, 2024, the final rule will require that most salaried workers who earn less than \$43,888 (\$844 per week) be eligible for overtime pay. Further, under the final rule, the minimum salary for overtime exempt status will increase again to \$58,656 per year (\$1,128 per week) on January 1, 2025. The rule will also increase the total annual compensation requirement for the highly compensated employee exemption from \$107,432 per year to \$132,964 per year on July 1, 2024, and then increase again to \$151,164 per year on January 1, 2025.

Further, beginning July 1, 2027, the minimum salary level for exempt status will be updated every three years to keep pace with changes in worker salaries and reflect current earnings data. As always, the increased minimum salaries remain one of several requirements for a proper exempt classification; employees must also continue to primarily perform exempt job duties as defined by the DOL's regulations.

In light of the DOL's final rule, employers should (1) ensure their overtime-exempt employees are paid on a salary basis at or above the minimums in the DOL's final rule, or begin the process of reclassification in advance of July 1, 2024; and (2) continue to monitor state and local law, which often requires higher minimum salaries, and imposes more stringent requirements regarding the primary duties of exempt employees.

For more information, please contact [Nelson Mullins Labor and Employment Group](#).

Proposed DOL Overtime Rule Increasing the Minimum Salary Threshold for Exempt Employees Likely to Take Effect Later this Year

By [Jeffrey Johnson](#), [Mitch Boyarsky](#), [Matthew T. Brown](#), [Samantha Ahearn](#)

A Department of Labor (DOL) [proposed rule](#) increasing the minimum salary threshold for exempt employees is projected to change the exempt status of approximately 3.4 million employees and go into effect as early as June 2024.

The proposed rule will increase the standard salary level to the 35th percentile of weekly earnings of full-time salaried workers. Specifically, the proposed rule would guarantee overtime pay for most salaried workers in all states and territories earning less than \$55,000 annually (or \$1,059 per week). This is a significant increase from the current rule, which guarantees overtime pay for most salaried workers earning less than \$35,568 annually (or \$684 weekly). The proposed rule also increases the minimum salary for application of the highly compensated employee exemption from \$107,432 to \$143,988, which is equivalent to the 85th percentile of earnings for full-time salaried workers nationally. Additionally, the proposed rule includes a mechanism for automatically updating the salary earnings threshold every three years.

Employers of overtime-exempt employees who make less than the new minimum salary threshold will need to either re-classify their employees or adjust salaries to meet the new threshold. Employers should also continue to ensure that exempt employees are paid on a salary basis and are primarily involved in the performance of exempt job duties defined by the DOL's regulations, as the salary threshold remains one of several requirements for exempt classification. The DOL plans to finalize the rule by April 2024, meaning the new rule could take effect as soon as June 2024. Accordingly, employers should prepare to respond to the increased minimum threshold for exempt employees. Also, employers in states with salary thresholds above the new projected level must continue to adhere to those minimum thresholds to comply with applicable state law.

For more information, please contact [Nelson Mullins Labor and Employment Group](#).

Alisa L Lawson-McKinnie

From: Alisa Lawson <alisa_lawson@icloud.com>
Sent: Thursday, September 19, 2024 10:17 PM
To: Alisa L Lawson-McKinnie
Subject: Print

CAUTION: This email originated from outside of Cleveland State University! Do not click links, open attachments, or reply, unless you recognize the sender's email address and know the content is safe!

The image is a screenshot of a presentation slide titled "APR Certification Methods". At the top, there is a navigation bar with several circular icons containing initials: MJ, JM, JL, EM, and AL. Below the icons, the text "your mic has been disabled" is visible. The main content of the slide is divided into two columns. The left column is titled "Prior to 2023-24 APR Data Collection Period" and lists three bullet points: 1. PD downloads, prints, obtains the necessary signatures, scans, and uploads signature page to the TRIO Web Portal. 2. TRIO verifies signatures and, if issues, or no signature page uploaded by the due date, then TRIO contacts grantee. 3. Grantee addresses issue, scans, and reuploads document. The right column is titled "New for 2023-24 APR Data Collection Period" and lists three bullet points: 1. PD digitally certifies the preliminary APR data submission in the TRIO Web Portal. 2. CO is notified that APR is ready for certification, via a system generated email. 3. CO logs in to the TRIO Web Portal and digitally certifies the final APR data submission. At the bottom left of the slide, there is a logo for the U.S. Department of Education. At the bottom of the slide, there are navigation arrows and a refresh icon.


APR Certification Methods

Prior to 2023-24 APR Data Collection Period	New for 2023-24 APR Data Collection Period
<ul style="list-style-type: none">• PD downloads, prints, obtains the necessary signatures, scans, and uploads signature page to the TRIO Web Portal.• TRIO verifies signatures and, if issues, or no signature page uploaded by the due date, then TRIO contacts grantee.• Grantee addresses issue, scans, and reuploads document.	<ul style="list-style-type: none">• PD digitally certifies the preliminary APR data submission in the TRIO Web Portal.• CO is notified that APR is ready for certification, via a system generated email.• CO logs in to the TRIO Web Portal and digitally certifies the final APR data submission.

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Digital Certification

- Following submission of the Annual Performance Report (APR), ED will require certification of accuracy of information from:
 - Project Director
 - Certifying Official
- Both Project Director and Certifying Official are required to be registered within the system
 - Both must have an account on [Login.gov](https://login.gov) associated with official email address.
- TRIO APR authenticates certification by ensuring TRIO access credentials match user credentials in [Login.gov](https://login.gov).

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Who is the Certifying Official?

1. Must have legal authority to sign on behalf of the institution/grant holder
2. Should have greater institutional/organizational authority relative to the Project Director.
3. Must not be the Project Director
4. Pre-identified within the APR system

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Designating a Certifying Official

- **Step 1: Confirm that preloaded information for Certifying Official is Correct (Yes/No)**
- **If "No" then Step 2: Project directors must designate their certifying official in the APR system!**
 - **Name, Email, Phone Number**
- **Step 3: Notify your Certifying Official in advance of APR deadline**

MJ JM JL EM AL

Johnnie M... McCoy Ha... Laurel J... Morrison, L... Leonard, M... Petron... Fenn... View all

Role of the Certifying Official In Completing the APR Submission

- CO must certify final APR submission in the TRIO APR system
- Final submission occurs only after CO certifies APR in the TRIO APR system

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Video Demonstration: Project Director Certification

P047A20988	Unsubm	Pending	System Admin	<input type="checkbox"/>
P047A221188	In Process	Pending	System Admin	<input type="checkbox"/>
P047A22088	In Process	Pending	System Admin	<input type="checkbox"/>
P047A190188	In Process	Pending	System Admin	<input type="checkbox"/>
P047A220188	Web Subm	PO Only	System Admin	<input type="checkbox"/>
P047A220644	Unsubm	Pending	System Admin	<input type="checkbox"/>
P047A180288	Unsubm	Pending	System Admin	<input type="checkbox"/>
P047A220188	In Process	Pending	System Admin	<input type="checkbox"/>
P047A220844	Web Subm	Pending	System Admin	<input type="checkbox"/>
P047A220144	Web Subm	Pending	Project Director	<input type="checkbox"/>

SSS: Open 10/27/2023 to 04/17/2024

o Demonstration: Project Director Certification

PR1Award Number: P047M220514

Date and Time: 9/12/2024 10:38:53 AM

Role: Project Director

Full Name: Joe Kucharski

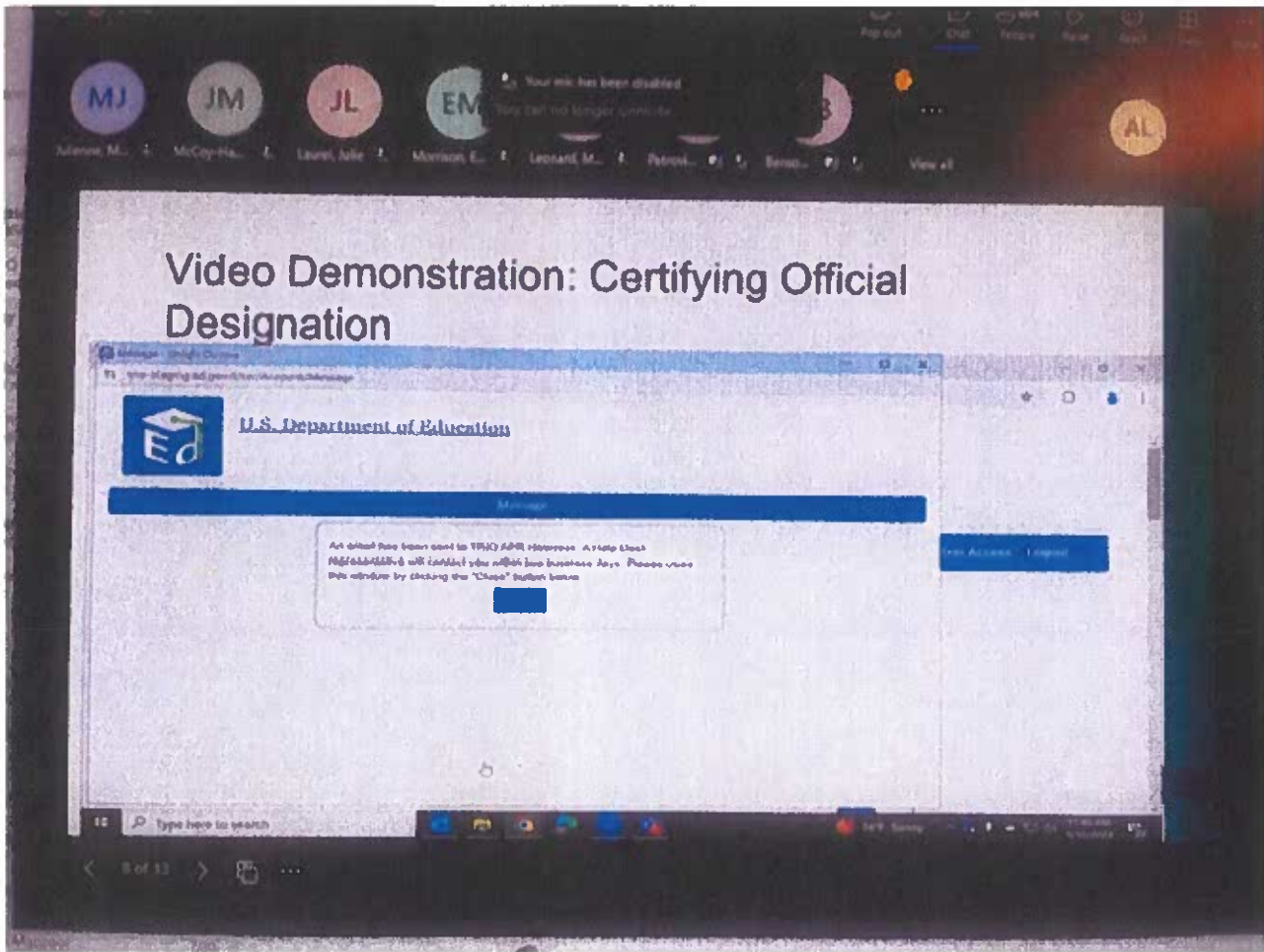
Email: Joe.Kucharski@ed.gov

Click the "Download Data" button to obtain an Excel file of the individual participant records (Section 8 of the APP).

Notes
Beginning in reporting period 2025-26, all grantees will be required to provide an electronic signature for both the project director and certifying official attesting that the revised performance report data that was submitted is accurate, complete, and verbatim. As such, your APP submission is not complete until you and the certifying official have certified the data. Your project has five (5) business days from the point of this notification to provide the required signatures.

Signature Page
Please certify the information submitted by completing the form below.

PR1Award Number:	P047M220514
Date and Time:	9/12/2024 10:38:53 AM
Role:	Project Director
Full Name:	Joe Kucharski
Email:	Joe.Kucharski@ed.gov



The image is a screenshot of a Zoom meeting. At the top, there is a header bar with a time display of 11:24:24 on the left and several icons for meeting controls (Pop-out, Chat, People, Mute, Screen, Help) on the right. Below the header, a row of participant avatars is visible, including MJ, JM, JL, EM, and AL. A notification above the EM avatar states "Your mic has been disabled. You can no longer unmute." Below the avatars, the slide content is displayed on a light gray background. The slide title is "Meeting Submission Deadlines" in a large, bold, black font. Below the title, there are three bullet points. At the bottom left of the slide, the U.S. Department of Education logo and name are visible. At the bottom of the Zoom window, there is a navigation bar showing "10 of 13" slides and other controls.

11:24:24

Pop-out Chat People Mute Screen Help

MJ JM JL EM AL

Your mic has been disabled. You can no longer unmute.

Meeting Submission Deadlines

- ED will be phasing-out the five-day grace period for uploading a signature page.
- Our upcoming 2023-24 APR Collections will have a two-business-day grace period after the set APR deadline for digital certification.
- Future APR collections (2024-25 and beyond) the expectation is that the APR and the digital signature will both be completed by the APR deadline.

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Sent from my iPhone

