

US Department of Labor Announces New Overtime Compensation Requirements

APRIL 23, 2024

On April 23, 2024, the US Department of Labor announced the final rule that expands the overtime compensation requirements of the Fair Labor Standards Act (FLSA).

Under current law, all employees covered by the FLSA are entitled to overtime pay at the rate of 1.5 times their regular wage for all hours worked over 40 hours in a work week. Under the "white-collar" exemption, employees who perform certain administrative, executive, computer, and/or professional duties are exempt if they are paid at least \$35,568 per year (\$684/week) on a salary basis.

However, effective July 1, 2024, the salary threshold will increase to the equivalent of an annual salary of \$43,888 (\$844/week) and increase to \$58,656 (\$1128/week) on January 1, 2025. The July 1 increase updates the present annual salary threshold of \$35,568 based on the methodology used by the prior administration in the 2019 overtime rule update.

Impacted employers should review their employee roster to determine who may be impacted by this change and develop a plan to minimize risk and ensure compliance. Obviously, we can expect numerous lawsuits in the coming days attempting to block enforcement of this new rule.

H. Wayne Young

SUMMARY

On April 23, 2024, the US Department of Labor announced the final rule that expands the overtime compensation requirements of the Fair Labor Standards Act (FLSA). Under current law, all employees covered by the FLSA are entitled to overtime pay at the rate of 1.5 times their regular wage for all hours worked over 40 ... [Continued](#)

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Authors



H. Wayne Young

PARTNER

LITTLE ROCK

501-370-1402

wyoung@fridayfirm.com