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Archives; Wage & Hour

Increased FLSA Threshold for White Collar Exemptions Takes Effect at the Start of the New Year

Employers should be aware that an amendment to the Federal Fair Labor Standards Act (FLSA) will increase the salary level threshold for the white-collar employee exemption from overtime pay commencing January 1, 2020. The white-collar exemption generally applies to executive, administrative, and professional job positions, as defined under the FLSA. A **final rule** was issued by the federal Department of Labor (DOL) on September 24, 2019, which increases the white-collar exemption salary level from the current level of \$455.00 per week to \$684.00 per week (which computes to \$35,568 annually). The threshold increase is significantly lower than the increase contained in a 2016 rule (\$913 per week) that never went into effect. We have previously discussed in detail [here](#) the proposed rule that ultimately led to the final rule.

In order to fit within the white-collar exemption, an employee must meet both the new pay threshold and the job duties test (analyzing what an employee actually does, rather than just looking at a job title). The new rule does not change the job duties test. Updating the list of employees now qualifying for the white-collar exemption under the revised threshold will also present employers with a good opportunity to [review](#) all employee exempt and non-exempt classifications. Incorrect FLSA classifications by employers continue to create significant legal exposure for employers. Employers should engage in a careful and thoughtful review of their exempt and non-exempt job determinations.