

ADVISORY

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UPDATE: LABOR, EMPLOYMENT AND BENEFITS, "INCREASED FLSA EXEMPTION THRESHOLD"

On September 24, the U.S. Department of Labor announced a new rule that resets the annual salary threshold required to satisfy the Fair Labor Standards Act's "white collar" exemptions for executive, administrative and professional employees.

Under the new rule, employees must earn an annual salary of at least \$35,568 per year or \$684 per week to be exempt from the overtime pay requirements. While this is a significant increase from the current salary threshold of \$23,660, the new rule does not go nearly as far as the Obama administration's proposed cutoff of \$47,476. The final rule will be published on September 25, 2019 in the Federal Register and will go into effect on January 1, 2020.