

LEGAL UPDATE

DOL Proposes FLSA Overtime Rule With Higher Salary Levels for White Collar Employees

On Aug. 30, 2023, the U.S. Department of Labor (DOL) [announced](#) a proposed rule to amend current requirements employees in white collar occupations must satisfy to qualify for an overtime exemption under the Fair Labor Standards Act (FLSA). The general public will be allowed to comment on the proposal once it's published in the Federal Register.

Increased Salary Level

The FLSA white collar exemptions apply to individuals in executive, administrative, professional, and some outside sales and computer-related occupations. Some highly compensated employees may also qualify for the FLSA white collar overtime exemption.

To qualify for this exemption, white collar employees must satisfy the standard salary level test, among other criteria. This salary level is a wage threshold that white collar employees must receive to qualify for the exemption.

The DOL is proposing to increase the standard salary level from:

- \$684 to \$1,059 per week (\$55,068 per year); and
- \$107,432 to \$143,988 per year for highly compensated employees.

Automatic Updates

The DOL proposal also includes mechanisms that would allow the agency to automatically update the white collar salary level thresholds automatically every three years without having to rely on the rulemaking process.

Comment Period

The federal rulemaking process requires the DOL to allow the public to comment on proposed regulations before the agency adopts and implements final regulations.

For this rule, the DOL has established a 60-day comment period. However, although the DOL has announced the proposed rule to amend the FLSA white collar exemptions, the proposal has not been published yet in the Federal Register. Those wishing to comment on the proposal must wait until the rule is published and the comment window begins.

Impact on Employers

The proposal does not impose any new requirements on employers at this time. However, employers should become familiar with the proposed rule and evaluate what changes they may need to adopt if the rule is implemented as proposed.



IMPORTANT DATES

Aug. 30, 2023

The DOL published a proposed rule to increase the salary level for the FLSA white collar exemptions.