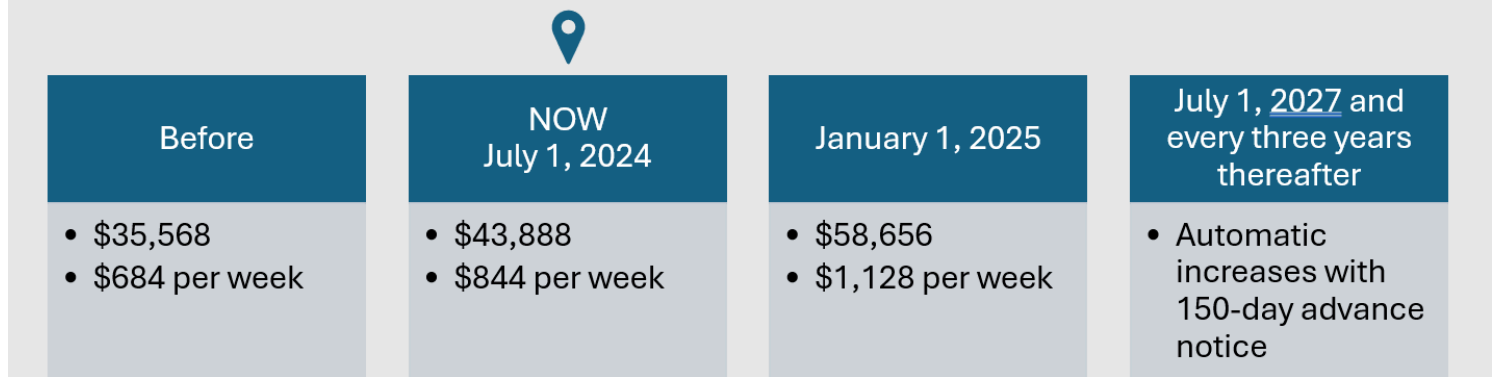


Employers: Are you compliant with the Fair Labor Standards Act changes?

On April 23, the U.S. DOL announced a final rule, Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees, which took effect on July 1, 2024 (and then increase again on January 1, 2025).

Revisions include increases to the standard salary level and the highly compensated employee (HCE) total annual compensation threshold, and a mechanism that provides for the timely and efficient updating of these earnings thresholds to reflect current earnings data.

Compensation levels - EAP



Before	NOW July 1, 2024	January 1, 2025	July 1, 2027 and every three years thereafter
<ul style="list-style-type: none">• \$35,568• \$684 per week	<ul style="list-style-type: none">• \$43,888• \$844 per week	<ul style="list-style-type: none">• \$58,656• \$1,128 per week	<ul style="list-style-type: none">• Automatic increases with 150-day advance notice

What should you be doing now to ensure compliance?

- Compensation analysis of exempt employees
 - Who is/will be impacted?
- Determine a strategy prior to the next increase (Jan. 2025):
 - Reclassify and pay overtime
 - Some people have real feelings about going from salary to hourly/perception of demotion/punching in and punching out/remote work policies
 - Increase compensation to meet new minimum threshold (keep exempt status)
 - Budget for overtime if you decide to reclassify and/or put controls in place to limit overtime usage
- Wait to implement until January (or make any corrections that didn't happen in July)

It's also a good time to review job descriptions and ensure proper classification.

Still have questions or need help?



We've partnered with HR Answerbox to assist our clients with HR needs. You can reach them by emailing their Managing Director Amanda Haddaway at amanda@hranswerbox.com.