



raising the bar: dol ups salary basis requirement for overtime exemptions

Jeremy Mittman
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This week, the U.S. Department of Labor ("DOL") unveiled the final version of its overtime exemption rule, which sets the annual salary threshold workers need to exceed to qualify for the Fair Labor Standards Act's ("FLSA") "white collar" exemptions at \$35,568 per year (up from the current annual salary threshold of \$23,660). The DOL estimates that about 1.3 million workers who hadn't previously been eligible for overtime will now stand to receive it once the rule takes effect on January 1, 2020.

The FLSA's "white collar" exemptions apply to employees employed in bona fide administrative, executive, professional, and computer-related capacities, as well as outside sales employees. If employees meet the requirements for these exemptions (including, where applicable, the salary basis requirement), employers need not pay them overtime for any time worked over 40 hours per week under federal law.

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Jeremy Mittman

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