

# The DOL's New Salary Level Rule That Raises The Minimum Salary On July 1, 2024 Survives (For Now)

## Labor & Employment Law Update

By Jeffrey Risch on July 2, 2024

A federal judge in Texas denied a private company's request to halt the U.S. Department of Labor's FIRST PHASE of its new FLSA salary level rule. As you recall, the first phase of the new rule went into effect on July 1, 2024.

The court's ruling means that the salary level for white-collar FLSA exempt employees must be paid a minimum annualized salary of \$43,888 (up from \$35,568). That number is then scheduled to go up to \$58,656 on January 1, 2025. Raises in the minimum salary threshold will be automatic in subsequent years.

The court denied the company's injunction request because the company couldn't show that ANY of its employees would be impacted by the July 1 phase one increase.

**What now?** The DOL's rule is still on thin ice. The legal challenge is still in place and the court still must evaluate the rule going forward. Therefore, while the July 1 increase is currently in place, the January 1 increase may not happen.

NOTE: There was a separate federal court decision released on June 28, 2024 whereby another federal court in Texas enjoined the DOL's rule as to the State of Texas (meaning, as to the State of Texas as a public employer of state employees only).

The litigation here continues. And, in light of the recent reversal by the U.S. Supreme Court of the *Chevron* deference doctrine, the DOL's rule appears to be on shaky ground.