

## U.S. Department of Labor Update - Overtime Exemptions



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On March 7, 2019, the U.S. Department of Labor (DOL) announced a proposed rule that would increase the minimum salary applicable to federal “white collar” exemptions from overtime. If enacted, the minimum salary for exempt employees would increase from \$455 per week (or \$23,660 annually) to \$679 per week (or \$35,308 annually). Despite the increase, employees would still need to meet the duties test for the applicable overtime exemption.

The proposal also increases the total annual compensation requirement for “highly compensated employees” (HCE) from the currently-enforced level of \$100,000 to \$147,414 per year.

[More information on the proposed rule is available here.](#)

However, please remember that more stringent state laws governing overtime exemption rules control. For example, under California law, the minimum salary for the “white collar” exemptions is two times the minimum wage - or \$49,920 in 2019.

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