

SNIFFEN & SPELLMAN, P.A.

LABOR AND EMPLOYMENT LAW ALERT Special Alert – November 20, 2024

Special Alert - Texas Court Invalidates Minimum Salary Increase for Exempt Employees

Over the course of the past year, we have been working to keep you informed of the Department of Labor's changes to the Fair Labor and Standards Act ("FLSA") minimum salary requirements for exempt employees. Under the FLSA, most employees who are exempt from the overtime requirements must be paid a minimum salary. For many years, this minimum salary was set at \$35,568 per year, however the Department of Labor attempted to increase this threshold in two steps, to \$43,888 per year as of July 1, 2024, and a second increase to \$58,656 on January 1, 2025, with automatic increases every three years after that.

On November 15, 2024, these increases were invalidated through an order issued in the case of *State of Texas v. U.S. Department of Labor* in the Eastern District of Texas, which invalidated the Department of Labor's rule nationwide. As of now, the minimum salary required for most exemptions under the FLSA has been returned to \$35,568 per year. While there is a chance that this ruling may be appealed, it seems unlikely considering the upcoming change in administration.

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