

# FLSA EXEMPT STATUS MINIMUM SALARY LEVEL INCREASES EFFECTIVE JANUARY 1, 2020

On September 24, 2019, the U.S. Department of Labor, Wage and Hour Division, published final regulations increasing the minimum salary that must be paid to an employee for the employee to be exempt from the minimum wage and overtime pay requirements of the Fair Labor Standards Act (FLSA). Effective January 1, 2020, the minimum salary level will increase from \$455 per week (\$23,660 per year) to \$684 per week (\$35,568 per year). The minimum salary requirement for “highly compensated” exempt employees will increase from \$100,000 per year to \$107,432 per year. Non-discretionary bonuses and incentive payments (such as commissions) that are paid at least annually may be used to satisfy up to 10% of the minimum salary requirement. Board, lodging, other facilities, and payments for medical insurance, life insurance, retirement plan contributions and other fringe benefits may not be counted for this purpose. Also, if an exempt employee’s salary has not reached the minimum level by the last pay period of the year, an employer may make a year-end “catch-up” payment to achieve the required level.

Members of Dean & Fulkerson’s [Labor Practice Group](#) are ready to help you prepare to comply with this new requirement by the January 1, 2020 deadline.

For more information please contact our office at (248) 361-1300 or email [Janet Lanyon](mailto:Janet.Lanyon@DFLaw.com) at [JLanyon@DFLaw.com](mailto:Janet.Lanyon@DFLaw.com).

## PRACTICE AREAS

- Employment and Labor Law

## ATTORNEYS

- Janet E. Lanyon