

July 1 and January 1 FLSA Thresholds No Longer in Effect

On November 15, a federal judge in the Eastern District Court of Texas [ruled](#) to strike down the Fair Labor Standards Act (FLSA) overtime rule to increase the exempt-salary threshold, meaning both the prior July 1 and anticipated January 1 salary thresholds are no longer in effect, and the triennial automatic updates will not take place. The decision applies to all covered employers and employees under the FLSA nationwide.

As a reminder, the final rule implemented a two-phase approach to increasing the minimum salary threshold under the FLSA overtime regulations. The first increase took effect on July 1, increasing the minimum salary threshold from the current level of \$684 per week (\$35,568 per year) to \$844 per week (\$43,888 per year). The second increase was set to take effect on January 1, 2025, and it would have increased the minimum salary threshold again to \$1,128 per week (\$58,656 per year). The final rule also adopted automatic updates to the minimum salary threshold that would occur every three years.

With the recent decision in the Texas court, the salary threshold set in the 2019 regulations (\$35,568 per year or \$683 per week) will be the salary threshold employers should continue to adhere to. Questions regarding the ruling and related impact can be directed to Laure Pou, Assistant Vice Chancellor for Human Resources, at Laure-Pou@utc.edu or x5742.