



## The Fair Labor Standards Act: Executive, Administrative and Professional Exemptions

Wage and Hour Division  
U.S. Department of Labor

## Fair Labor Standards Act



- Federal Minimum Wage:
  - \$7.25/hour
- Overtime: 1 ½ times the regular rate of pay for all hours over 40 hours in a work week



## "White Collar" Exemptions

- Section 13(a)(1) of the FLSA provides an exemption from both minimum wage and overtime pay for employees who are employed in a bona fide:
  - Executive;
  - Administrative;
  - Professional; or
  - Outside Sales capacity.
- Certain computer employees may be exempt professionals under Section 13(a)(1) or exempt under Section 13(a)(17) of the FLSA.



## Three Tests for Exemption

- Salary Level
- Salary Basis
- Job Duties

# New Overtime Rule Changes



- Salary Level Increases
- Special Salary Levels
- Nondiscretionary Bonuses

## New Overtime Rule Standard Salary Level and Highly Compensated Employees



**Note:** The Department of Labor revised the regulations located at 29 C.F.R. part 541 with an effective date of January 1, 2020. WHD will continue to enforce the 2004 part 541 regulations through December 31, 2019, including the \$455 per week standard salary level and \$100,000 annual compensation level for Highly Compensated Employees. The final rule is available online at: [www.dol.gov/whd/overtime2019/index.htm](http://www.dol.gov/whd/overtime2019/index.htm)

- **Standard salary level - pursuant to 29 CFR 541.600**

Currently Enforced  
\$455

Effective 1/1/2020  
\$684 per week

- **Highly Compensated Employee (HCE) - pursuant to 29 CFR 541.601**

Currently Enforced  
\$100,000

Effective 1/1/2020  
\$107,432 per year

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