



SCWA Legislative & Regulatory Update

September 11, 2023



Proposed Rule: Updating the Executive, Administrative and Professional Regulation

On September 8, 2023, the Department of Labor (Department) announced publication of a Notice of Proposed Rulemaking (NPRM), Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees.

DOL announced: The NPRM proposes to update and revise the regulations issued under section 13(a)(1) of the Fair Labor Standards Act implementing the exemption from minimum wage and overtime pay requirements for executive, administrative, and professional employees. Proposed revisions include increasing the standard salary level and the highly compensated employee total annual compensation threshold, as well as providing an automatic updating mechanism that would allow for the timely and efficient updating of all the thresholds to reflect current earnings data.

Specifically, the Department of Labor's proposed rule would:

- Increase the FLSA regulations' standard salary level from \$684 per week (\$35,568 per year) to \$1,059 per week (\$55,068 per year)
- Increase the total annual compensation requirement for highly compensated employees from \$107,432 per year to \$143,988 per year
- Restore overtime protections for U.S. territories, ensuring workers in those territories where the FLSA minimum wage applies have the same overtime protections as other U.S. workers
- Automatically update earnings thresholds every three years so they keep pace with changes in worker salaries, ensuring that employers could adapt more easily because they would know when salary updates would happen and how they would be calculated

DOL stated: "The proposed rule would help the Department of Labor protect more workers who historically were entitled to overtime pay under the FLSA. The Department of Labor conducted months of extensive consultations with employers, workers, unions and other stakeholders to develop this proposed rule."

For more information on the Notice of Proposed Rulemaking, please visit www.regulations.gov, contact the [Wage and Hour Division](#) or call toll-free at 1-866-4US-WAGE (487-9243).

The Department invites the public to [comment on this NPRM](#). The NPRM's 60-day comment period closes at 11:59 p.m. ET on November 7, 2023.

Anyone who submits a comment (including duplicate comments) should understand and expect that the comment, including any personal information provided, will become a matter of public record and will be posted without change to www.regulations.gov.

Additional Information

- [Notice of Proposed Rulemaking: Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#)
- [Frequently Asked Questions About the Proposed Rule](#)
- [DOL Press Release: Department of Labor Announces Proposal to Restore, Extend Overtime Protections for 3.6 Million Low-Paid Salaried Workers](#)



Chuck Space - SCWA Executive Director
4600 Spicewood Springs Road
Suite 103
Austin, TX 78759
(512) 343-9023