

On April 26, 2024, the U.S. Department of Labor (Department) published a final rule, *Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees*, 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. Revisions included increases to the standard salary level and the highly compensated employee total annual compensation threshold, and a mechanism for updating these earnings thresholds to reflect current earnings data.

- o **FLSA Tip Regulations:** The FLSA allows employers who meet certain criteria to take a partial credit against their minimum wage obligations for tipped employees—those engaged in an occupation in which they customarily and regularly receive tips. Consequently, with regard to enforcement, the Department is applying the 2019 rule's minimum salary level of \$684 per week and total annual compensation requirement for highly compensated employees of \$107,432 per year. The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.
- o **FLSA Overtime:** Covered nonexempt employees must receive overtime pay for hours worked over 40 per workweek (any fixed and regularly recurring period of 168 hours – seven consecutive 24-hour periods) at a rate not less than one and one-half times the regular rate of pay.
- o **Recordkeeping:** Employers must display an official poster outlining the requirements of the FLSA.