

LABOR AND EMPLOYMENT LAW

INFORMATION MEMO

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Texas Court Blocks Increases to FLSA Salary Requirements for White-Collar Employees

On Nov. 15, 2024, the U.S. District Court for the Eastern District of Texas vacated the U.S. Department of Labor's (DOL) final rule that increased the minimum salary requirements for employees exempt from the Federal Fair Labor Standard Act's (FLSA) minimum wage and overtime protections under the executive, administrative and professional exemptions (also known as white-collar exemptions).

The DOL issued this final rule in April 2024, which had several parts. First, on July 1, 2024, the minimum salary for white collar exemptions increased from \$684 per week (\$35,568 annually) to \$844 per week (\$43,888 annually). Then, the minimum salary for white collar exemptions was set to increase again on Jan. 1, 2025 to \$1,128 per week (\$58,656 annually). Finally, the minimum salary was set to increase again in July 2027, automatically increasing every three years.

The Texas district court's decision prevents the DOL's final rule from going into effect on a nation-wide basis. The court reasoned that the rule exceeded the DOL's statutory authority under the FLSA.

Based on the court's decision, the increase to the overtime threshold scheduled on Jan. 1, 2025 will not go into effect. The decision also retroactively struck down the salary increase that went into effect on July 1, 2024. This decision sets the FLSA salary requirements for white-collar exemptions back to \$684 per week.

Of course, many states have salary requirements for these exemptions that exceed the FLSA threshold. New York is one of these states. In New York City, Nassau, Suffolk and Westchester counties, exempt executive and administrative employees have a minimum salary requirement of \$1,200 per week (\$62,400 annually). For the remainder of New York state, the minimum salary requirement for the executive and administrative exemptions is \$1,124.20 per week (\$58,457.40 annually). These amounts increase on Jan. 1, 2025 to \$1,237.50 (\$64,350 annually) and \$1,161.65 (\$60,405.80 annually), respectively.

Notably, New York does not have a salary requirement for the professional exemption. Therefore, New York employers must follow the FLSA salary requirement for exempt professional employees, which, as described above, is back to \$684 per week.

With this decision, employers should review their salary levels for exempt executive, administrative, and professional employees to ensure compliance with state and federal laws.

If you have any questions or would like any additional information, please contact [Michael Billok](#), [Natalie Vogel](#) or any attorney in Bond's [labor and employment practice](#), or the Bond attorney with whom you are regularly in contact.

