



News Release

# BIDEN-HARRIS ADMINISTRATION FINALIZES RULE TO INCREASE COMPENSATION THRESHOLDS FOR OVERTIME ELIGIBILITY, EXPANDING PROTECTIONS FOR MILLIONS OF WORKERS

## *Rule ensures salaried workers making less than \$58,656 receive fair pay for long hours*

**WASHINGTON** – The Biden-Harris administration today announced a final rule that expands overtime protections for millions of the nation’s lower-paid salaried workers by increasing the salary thresholds required to exempt a salaried bona fide executive, administrative or professional employee from federal overtime pay requirements.

Effective July 1, 2024, the salary threshold will increase to the equivalent of an annual salary of \$43,888 and increase to \$58,656 on Jan. 1, 2025. The July 1 increase updates the present annual salary threshold of \$35,568 based on the methodology used by the prior administration in the 2019 overtime rule update. On Jan. 1, 2025, the rule’s new methodology takes effect, resulting in the additional increase. In addition, the rule will adjust the threshold for highly compensated employees. Starting July 1, 2027, salary thresholds will update every three years, by applying up-to-date wage data to determine new salary levels.

“This rule will restore the promise to workers that if you work more than 40 hours in a week, you should be paid more for that time,” said Acting Secretary Julie Su. “Too often, lower-paid salaried workers are doing the same job as their hourly counterparts but are spending more time away from their families for no additional pay. That is unacceptable. The Biden-Harris administration is following through on our promise to raise the bar for workers who help lay the foundation for our economic prosperity.”

The department conducted extensive engagement with employers, workers, unions and other stakeholders before issuing its proposed rule in September 2023, and considered more than 33,000 comments in developing its final rule. The updated rule defines and delimits who is a bona fide executive, administrative and professional employee exempt from the Fair Labor Standards Act’s overtime protections.

“The Department of Labor is ensuring that lower-paid salaried workers receive their hard-earned pay or get much-deserved time back with their families,” said Wage and Hour Administrator Jessica Looman. “This rule establishes clear, predictable guidance for employers on how to pay employees for overtime hours and provides more economic security to the millions of people working long hours without overtime pay.”

Key provisions of the final rule include the following:

- Expanding overtime protections to lower-paid salaried workers.
- Giving more workers pay or valuable time back with their family: By better identifying which employees are executive, administrative or professional employees who should be overtime exempt, the final rule ensures that those employees who are not exempt receive time-and-a-half pay when working more than 40 hours in a week or gain more time with their families.
- Providing for regular updates to ensure predictability. The rule establishes regular updates to the salary thresholds every three years to reflect changes in earnings. This protects future erosion of overtime protections so that they do not become less effective over time.

The rule’s effective date is July 1, 2024. [Learn more about the department’s efforts to restore and extend overtime protections.](#)

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