

FLSA Salary Threshold Increase: What Employers Need to Know



\$58,656 a year

New Minimum Salary for Exempt Employees starting on January 1st 2025.



Over 3 Million

workers will be affected by this new rule.



\$1.5 Billion

Estimated increase in total salaries across U.S. businesses.



What Employers Need to Do

Review Employee Classifications



Ensure all employees are properly classified as exempt or non-exempt based on their salary and job duties.

Decide on Pay Adjustments



Raise salaries to meet the new threshold OR

Reclassify employees as non-exempt and pay overtime.

Reorganize Workloads



Adjust work schedules or redistribute tasks to avoid excessive overtime.

Important Legal Reminders



Pay Transparency

It's illegal to prohibit employees from discussing their wages.



Non-Exempt Rules

Non-exempt employees must be paid overtime for hours worked beyond 40 per week, including after-hours tasks like answering emails.

Effective Communication is Key



Be Transparent

Inform employees early about any salary changes or reclassifications. Explain how these changes are related to compliance with the law.

Update Policies

Clearly communicate new rules on overtime, timekeeping, and after-hours work.

Planning Tips for Employers

Start Preparing Now!

Conduct an audit of employee salaries and classifications.



Budget for salary increases or overtime costs.



Consider offering additional benefits (e.g., vacation time) to maintain pay equity.



Don't wait until it's too late!

The new salary threshold takes effect January 1, 2025.

Ensure your business is ready by reviewing, reclassifying, and communicating changes today!



Need help with HR tasks like employee relations and accurate classifications? Connect with one of our small business HR experts. [Learn more.](#)