

## Labor and Employment Law Alert

## DOL Proposes New Salary Level for Exempt Employees

By Chris Thrutchley March 8, 2019

The U.S. Department of Labor (DOL) just gave notice of its intent to issue a new rule raising the salary level of exempt employees from \$455 per week (\$23,660 annually) to \$679 per week (\$35,308 annually). Under the proposed rule, workers who make less than \$679 per week must be paid overtime for all hours worked over 40 in a workweek.

But a Texas cloud looms large over whether the proposed rule will ever take effect. When the Obama DOL issued a rule doubling the overtime salary threshold, a Texas federal court deemed it unlawful, blocking it from taking effect. The DOL appealed, but the U.S. Court of Appeals for the Fifth Circuit has postponed a resolution of the appeal pending further rulemaking from the DOL regarding a revised (presumably lower) salary threshold.

More about the proposed rule can be found at <a href="www.dol.gov/whd/overtime2019">www.dol.gov/whd/overtime2019</a>. Once the rule is published in the Federal Register, the public will be able to submit comments for 60 days.

Determining whether employees are properly classified as exempt from the overtime requirements of the Fair Labor Standards Act is crucial in minimizing risk of costly liability. **GableGotwals** can assist employers in this critical area, as well as any other area of labor and employment law. We will keep you posted of new developments regarding the proposed rule as they occur.

## **Chris Thrutchley**

cthrutchley@gablelaw.com Direct dial: 918-595-4810

GableGotwals \* 1100 ONEOK Plaza \* 100 West Fifth Street \* Tulsa, OK 74103 www.gablelaw.com

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