

Wage and Hour Division

Final Rule: Overtime Update

On September 24, 2019, the U.S. Department of Labor announced a final rule to make 1.3 million American workers newly eligible for overtime pay.

The final rule updates the earnings thresholds necessary to exempt executive, administrative and professional employees from the Fair Labor Standards Act’s (FLSA) minimum wage and overtime pay requirements, and allows employers to count a portion of certain bonuses/commissions towards meeting the salary level. The new thresholds account for growth in employee earnings since the thresholds were last updated in 2004.



In the final rule, the Department is:

- raising the “standard salary level” from the currently enforced level of \$455 per week to \$684 per week (equivalent to \$35,568 per year for a full-year worker);
- raising the total annual compensation requirement for “highly compensated employees” from the currently enforced level of \$100,000 per year to \$107,432 per year;
- allowing employers to use nondiscretionary bonuses and incentive payments (including commissions) paid at least annually to satisfy up to 10% of the standard salary level, in recognition of evolving pay practices; and
- revising the special salary levels for workers in U.S. territories and the motion picture industry.

The final rule is effective on January 1, 2020.

Additional Information

- [Federal Register notice for the final rule](#)
- News release (9/24/2019): [U.S. Department of Labor Issues Final Overtime Rule](#)
- [Fact sheet](#)
- [Frequently asked questions](#)
- [Small Entity Compliance Guide](#)
- [Learn more about overtime pay.](#)

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