

# State OT salary thresholds may exceed new DOL rule

Employers in some states have—or will soon have—more than federal wage-and-hour compliance to worry about if their exempt employees work overtime.

In March, the U.S. Department of Labor proposed a rule raising the overtime salary threshold for administrative, professional and exempt employees to \$35,308 per year, up from the current \$23,660. Anyone earning less than the salary threshold must be paid overtime when they work more than 40 hours in a workweek.

If all goes according to plan, the new federal salary threshold will go into effect on Jan. 1, 2020.

However, some states already have thresholds exceeding the federal requirement, and one is planning increases that will soon be higher.

**Advice:** Before you move forward with any compensation adjustments in response to the new proposed federal salary threshold, check your overtime compliance if you have employees in any of the following states:

**Alaska:** The white-collar overtime salary threshold there is \$41,142.40.

**California:** The threshold is \$49,920 for employers with 26 or more employees, while smaller employers face a threshold of \$45,760. There are higher thresholds for computer-software employees (\$94,603.25 per year) and physicians and surgeons if they earn at least \$82.72 per hour.

**New York:** New York City employers with 11 or more employees face a salary threshold of \$58,500; for 10 or fewer, it is \$52,650.

In Nassau, Suffolk and Westchester Counties, the amount is \$46,800.

In the rest of New York, the threshold is \$43,264.

**Pennsylvania:** The current white-collar salary threshold is lower than the federal number. However, Gov. Tom Wolf has announced plans to raise the threshold to \$31,720 on Jan. 1, 2020. The threshold would increase to \$39,832 on Jan. 1, 2021, and again in 2022 to \$47,892.

Thus Pennsylvania employers may need to follow the new federal rule in 2020 and switch to the state rule in 2021.

## **Comments on overtime rule accepted until May 21**

The clock has finally started ticking on the Department of Labor's proposed rule raising the white-collar salary threshold to \$35,308 per year. It was published March 22 in the Federal Register. That opened a 60-day public comment period, with the DOL accepting comments until May 21.

To read the complete rule and submit comments, visit  
[www.regulations.gov/document?D=WHD-2019-0001-0001](http://www.regulations.gov/document?D=WHD-2019-0001-0001).