HR COMPLIANCE OVERVIEW

2025 State Overtime Salary Levels

Under federal and state laws, employers must compensate their employees with 1.5 times their regular rate of pay for any hours of overtime work. However, under these laws, employees who work in an executive, administrative or professional (EAP) capacity are exempt from overtime pay if they satisfy, among other things, the salary level requirements for their exemption.

Under the federal Fair Labor Standards Act (FLSA), the current salary level requirement for the EAP exemption is \$684 per week (\$35,568 per year) on a salary or fee basis. For highly compensated employees (HCEs), the salary level is \$107,432, which includes at least \$684 per week paid on a salary or fee basis.

While these salary levels apply in most U.S. jurisdictions, some states have adopted EAP salary levels higher than the ones required by the FLSA. These states are:

- Alaska;
- California;
- Colorado;

- Maine;
- New York; and
- Washington.

The table below provides an overview of state EAP overtime salary levels higher than the FLSA thresholds. As a convenience, additional salary thresholds for other overtime exemptions are also provided.

LINKS AND RESOURCES

- U.S. Department of Labor (DOL) overtime pay website
- DOL <u>overtime e-tools</u>

Important Dates

Jan. 1, 2025

New salary levels for EAP exemptions become effective in Alaska, California, Colorado, Maine, New York and Washington.

DOL's Final Overtime Rule

On April 23, 2024, the DOL announced a final rule to amend current requirements employees in whitecollar occupations must meet to qualify for an FLSA overtime exemption. The final rule increased the standard salary level on July 1, 2024, from \$684 to \$844 per week for EAPs and from \$107,432 to \$132,964 per year for HCEs. On Jan. 1, 2025, the standard salary level was set to increase again. However, on Nov. 15, 2024, the U.S. District Court for the Eastern District of Texas vacated the DOL's final rule, returning the salary threshold to the pre-July 2024 threshold. The DOL has appealed the 5th Circuit's ruling.

Provided to you by Summit Insurance Group, LLC



HR COMPLIANCE OVERVIEW

Jurisdiction	2025 Salary Level	Effective Date	Notes
Alaska	Standard EAP salary level: • \$952.80 per week; and • \$49,545.60 per year.	Jan. 1, 2025	Salaried employees, who are exempt from the minimum wage and overtime requirements as bona fide EAP employees, must maintain a salary equivalent to two times the minimum wage for the first 40 hours worked in a workweek. Note: Alaska voters approved a ballot measure that will increase the state's minimum wage to \$13 per hour on July 1, 2025. As a result, the state's standard EAP salary level will also increase on that date to \$1,040 per week or \$54,080 per year.
California	 Standard EAP salary level: \$1,320 per week; \$5,720 per month; and \$68,640 per year. Computer software employee: \$56.97 per hour; \$9,888.13 per month; and \$118,657.43 per year. Licensed physicians and surgeons: \$103.75 per hour. 	Jan. 1, 2025	The standard EAP salary level is twice the state minimum wage rate based on a 40-hour workweek.
Colorado	 Standard EAP salary level: \$1,086.25 per week; and \$56,485 per year. Agricultural range workers: \$606.56 per week. Highly technical computer employees: \$34.07 per hour or the EAP salary. HCEs: \$127,091 annually and the EAP weekly salary. Drivers and driver helpers: \$814.55 per week. 	Jan. 1, 2025	Most overtime salary thresholds are dependent on the state's minimum wage rate.

HR COMPLIANCE OVERVIEW

Jurisdiction	2025 Salary Level	Effective Date	Notes
	 Seasonal camp or outdoor education field staff: Full minimum wage or: \$422.02 per week (adults); and \$328.78 (minors). Nonprofits with up to \$25 million in revenue: \$318.35 per week (adults); and \$240.65 per week (minors). 		
Maine	Standard EAP salary level • \$845.21 per week; and • \$43,951 per year.	Jan. 1, 2025	The EAP salary level must exceed 3,000 times the state minimum wage divided by 52.
New York	 Standard administrative and executive employee salary level: \$1,237.50 per week (\$64,350 per year) for employees in New York City, Nassau, Suffolk and Westchester counties; and \$1,161.65 per week (\$60,405.80 per year) for employees in the rest of the state. 	Jan. 1, 2025	In New York, there is also a professional exemption under state law. However, there is no minimum salary requirement for the professional exemption.
Washington	Standard EAP salary level for large employers (51 or more employees): • \$1,499.40 a week; and • \$77,968.80 a year. Standard EAP salary level for small employers (50 or fewer employees): • \$1,332.80 per week; and • \$69,305.60 per year. Computer professional (regardless of employer size): • \$58.31 per hour.	Jan. 1, 2025	The standard EAP salary level for larger employers is 2.25 times the state's minimum wage rate, the standard EAP salary level for smaller employers is two times the state's minimum wage rate, and the computer professional salary level is 3.5 times the state's minimum wage rate.

111