

# LEGAL ALERT

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## TEXAS COURT INVALIDATES RULE INCREASING WHITE COLLAR MINIMUM SALARIES

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On November 15, 2024, a federal court in Texas ruled that a 2024 Department of Labor rule increasing the minimum salary for white collar overtime-exempt employees exceeded the Department of Labor's authority. As a result, the Texas court nullified and revoked the rule—including both the July 1, 2024 and the January 1, 2025 increases.

The rule at issue increased the minimum salary for white collar employees from \$684 per week (\$35,568 annually) to \$844 per week (\$43,888 annually), effective July 1, 2024. The rule also increased the minimum salary for white collar workers to \$1,128 per week (\$58,656 annually), effective January 1, 2025. As a result of this decision, the current minimum salary for white collar employees returns to \$684 per week (\$35,568 annually).

The rule also increased the minimum annual salary for highly compensated employees from \$107,432 to \$132,964, effective July 1, 2024, and to \$151,164, effective January 1, 2025. Following the Texas decision, the minimum annual salary for highly compensated employees returns to \$107,432.

This ruling is likely to be appealed, so employers may want to place any changes on hold, as we wait to see the results of the appeal.

Employers should keep in mind that most of the white collar exemptions require a position to be paid on a salary basis and meet a job duties test in addition to meeting the minimum salary requirements. In other words, paying a salary that meets or exceeds the threshold is not enough. Even highly compensated employees must meet a less stringent duties test. Hahn Loeser's Labor and Employment group can assist employers who want to audit current positions for FLSA compliance.

For more information about how this may affect your organization, please contact one of Hahn Loeser's [Labor & Employment attorneys](#).

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