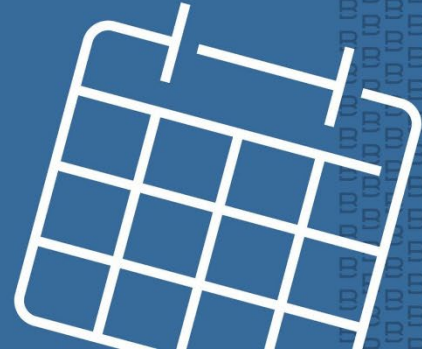


The Work Week

News from the
Bassford Remele
Labor & Employment
Practice Group



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U.S. Department of Labor Reinstates Pre-2024 Overtime Salary Levels

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The U.S. Department of Labor recently issued a technical amendment formally reinstating the minimum salary level required to treat executive, administrative, and professional employees as exempt from overtime under the Fair Labor Standards Act (FLSA). This overtime “reversal” confirms that Minnesota employers are operating under familiar federal salary thresholds—but it’s also a timely reminder to revisit exemption decisions before the next busy budgeting season.

What Changed?

On May 14, 2026, the DOL issued a technical amendment to its white-collar overtime regulations, formally restoring the salary thresholds adopted in 2019 and removing the vacated 2024 rule from the books. The 2024 rule would have raised the standard salary level to \$844 per week in July 2024 and \$1,128 per week in January 2025, with automatic increases every three years, but federal courts in Texas struck it down before those later increases could take effect. The DOL’s amendment, effective upon publication on May 15, 2026, simply aligns the regulatory text with those court decisions. Importantly, it doesn’t create new obligations for employers already following the 2019 thresholds.

Current Federal Thresholds for Minnesota Employers

For Minnesota businesses, the governing federal salary levels for the FLSA “white-collar” exemptions are once again clear: employees must receive at least \$684 per week to qualify, and \$107,432 annually for highly compensated employees who also receive at least \$684 per week on a salary basis. These amounts sit alongside the three-part exemption test which states that an exempt employee must: (1) primarily perform executive, administrative, or professional duties; (2) be paid on a salary basis that is not reduced based on quantity or quality of work; and (3) meet or exceed the minimum salary level. In Minnesota, employers must consider job duties as central

to determining exemption status under federal law and Minnesota law. Pay practices also play a key role in whether an employee is properly classified as exempt.

Practical Impact in Minnesota

Because the courts vacated the 2024 rule, many Minnesota employers never implemented the higher \$844 and \$1,128 weekly thresholds, and those that did often treated them as temporary or contingent. The DOL's formal reinstatement of the pre-2024 thresholds confirms that the 2019 amounts are again the operative federal standard and that the automatic triennial updates embedded in the 2024 rule are off the table. Employers that raised salaries, reclassified positions, or adjusted pay structures in anticipation of the now-defunct increases should review those changes with an eye toward consistency, internal equity, and alignment with Minnesota law, which may now impose different recordkeeping and overtime obligations.

Action Items for Minnesota Employers

In light of the DOL's technical amendment, Minnesota employers should take a fresh look at employee classifications before year-end planning. That review should confirm that each exempt role still satisfies all three elements of the exemption test, verify that weekly salaries meet or exceed the \$684 threshold, and flag any positions that were moved to exempt status based primarily on the short-lived 2024 rule. Employers that increased pay to meet the higher, now-vacated thresholds may choose to maintain those levels for morale and retention reasons, but they should do so knowingly, understanding that federal law currently requires only the 2019 amounts and that any future DOL efforts to raise thresholds will likely be closely watched before they take effect.

The Bassford Remele Labor & Employment Group closely monitors legal developments at the state and federal levels. Our attorneys work with employers to navigate compliance considerations and minimize risk under federal and state employment laws. Please reach out with any questions.

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