



Fair Labor Standards Act (FLSA) 2024 Update

On April 23, 2024, the U.S. Department of Labor's ([DOL](#)) updated overtime pay rule was released. The [new rule](#) affects how some workers are exempted from overtime requirements by increasing the minimum salary threshold for executive, administrative, and professional employees. The new rules will be implemented in two phases:

- Beginning July 1, 2024, most employees earning less than \$43,888 annually will become eligible to earn overtime.
- Beginning January 1, 2025, most employees earning less than \$58,656 annually will become eligible to earn overtime.

Certain employee groups will still be exempt from the overtime requirement and will not be affected by this new rule. This includes teachers/instructors, medical/veterinary interns, and residents. These are the only classifications exempt from this new overtime rule.

There is no proration for part-time workers, meaning regardless of the full-time equivalent salary, if the salary threshold is not met for any reason, the position will be classified as non-exempt. Human Resource Management is assessing all job profiles and faculty and staff who are currently below the new salary threshold.

LSU Health-New Orleans will reclassify effected employees who have a salary below \$43,888 annually to non-exempt status effective June 24, 2024. This date aligns with the start of the bi-weekly pay period and ensures LSU Health New Orleans remains compliant with the DOL overtime rules. Affected employees:

- Will move to a biweekly pay schedule, and have their base pay converted to an hourly rate,
- Must clock in and out using PeopleSoft,
- Will be eligible to earn overtime for time worked greater than forty (40) hours in an assigned and contiguous workweek,
- Must become familiar with [CM-62 Overtime Policy](#),
- Should work with their department timekeeper to review their Time Details report, to ensure accuracy.

HRM will provide toolkits, FAQs, and set up meetings with affected employees and their supervisor and assist in developing a strategy to implement the changes that align with departmental needs. Additionally, LSU Health NO will continue to monitor for employees who may be affected by the second phase of the updated overtime rules that go into effect January 1, 2025.