

June 11, 2024

To: Department Chairs, Directors, Business Officers, and AP Staff

From: Leesa Beck, Assistant Vice Chancellor for Academic Personnel

Re: Upcoming updates to Department of Labor FLSA salary thresholds

The United States Department of Labor (DOL) recently updated the federal Fair Labor Standards Act (FLSA). The revised regulations include an increase to the minimum salary threshold for overtime-exempt employees and a new mechanism to enable periodic increases in the minimum salary threshold going forward. The DOL will implement the salary threshold increase in tiers:

- Effective July 1, 2024, the minimum salary threshold for overtime-exempt employees will increase from the current level of \$684 per week (\$35,568 per year for a full-year employee) to **\$844 per week (\$43,888 per year** for a full-year employee).
- Beginning on January 1, 2025, the minimum salary threshold for overtime-exempt employees will increase to **\$1,128 per week (\$58,656 per year** for a full-year employee).

Following the increase in the threshold that goes into effect on January 1, 2025, the threshold will be reset again on July 1, 2027 (and every three years after).

All faculty, including lecturers, as well as other teaching titles, are not affected by this rule no matter how much they earn because the minimum salary threshold does not apply to those who have the primary duty of teaching and imparting knowledge. Non-faculty, non-student academic appointees in research or administrative positions, however, must meet both the duties test and the salary test. **Academic appointees who no longer meet both the new salary threshold and the duties test will be reclassified as non-exempt, overtime-eligible.**

The Academic Personnel Office is working to identify affected individuals and will communicate directly with impacted departments and employees. We will also provide fact sheets for supervisors and managers, FAQs, and information about vacation cash-out to assist employees in the transition.

Questions may be directed to Helly Kwee at [helly.kwee@ucsb.edu](mailto:helly.kwee@ucsb.edu).