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### **DOL Signals Abandonment of Salary Threshold Hike**

On Friday, a federal appeals court pressed pause on an appeal initiated by the Biden Department of Labor in an attempt to save its new rule raising the salary threshold for the overtime exemptions. This latest move signals the Trump DOL's intent to repeal the rule change altogether.

[Back in April of last year](#), the Biden DOL issued a regulation raising the salary threshold necessary to meet the white-collar overtime exemptions. The hike was staged in two phases. On July 1, 2024, the threshold was to increase from \$35,568 to \$43,888 and then again on January 1, 2025, the threshold would increase further to \$58,656.

Although there were immediate legal challenges, the first hike went into effect before courts could rule on the legitimacy of change. Therefore, most employers either increased exempt employees' salaries to meet the new threshold or converted those employees to non-exempt and paid them overtime for hours over 40.

But in November last year, before the second hike was to go into effect, [a Texas federal judge struck down both increases](#) as beyond DOL's authority under the Fair Labor Standards Act. On its way out the door, the Biden DOL appealed in a bid to save the increase.

After taking office, the Trump DOL asked the appeals court to pause the appeal while it reconsidered its official position on the matter and now says it intends to revisit the rule – indicating its almost certain plan to repeal the rule entirely. For over a year now, employers have wrestled with uncertainty over the rule's fate and how best to comply. This now removes any doubt that the threshold is \$35,568 (\$684 per week).

If you have any questions or would like additional information, please contact Al Vreeland at (205) 323-9266 or [avreeland@lehrmiddlebrooks.com](mailto:avreeland@lehrmiddlebrooks.com).