

## Pennsylvania Abandons Plan to Increase Minimum Salary Requirements Above Federal Levels

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In 2020, the Pennsylvania Department of Labor passed regulations that were set to increase the minimum salary levels for exempt positions, beginning in October 2021. Ultimately, the increases were set to advance the minimum salary levels from the current \$684 per week, to \$780 per week and then up to \$875 per week in 2022. Earlier this year, I wrote an alert urging employers to prepare for these changes.

Um...well...never mind.

That regulation, which drew the ire of numerous pro-business lobbying groups, was apparently forsaken in the name of budget-making. Pennsylvania Governor Tom Wolf, who advocated for the increase of minimum salary levels, signed the 2021-2022 state budget this week, and in doing so, agreed to repeal the regulations calling for the increase in minimum salary levels for exempt employees. News reports on this deal stated that this is the sacrifice Gov. Wolf had to make in order to secure additional educational funding that he prioritized. It was projected that an additional 80,000 Pennsylvanians would have been eligible for overtime pay due to the increased salary levels under the now-abandoned 2020 regulations.

With this change, Pennsylvania employers will continue to be bound by the salary levels set forth in the Fair Labor Standards Act (FLSA), which requires employees to be paid a minimum of \$684 per week (\$35,568 per year), as well as meet certain duties requirements, in order to be exempt from overtime.

While the salary levels will remain at the same level for likely several years (the FLSA is very slow to change, as the 2020 increase was the first in over 15 years), we still encourage all employers to review their job descriptions to ensure that any employees that are classified as exempt meet the duties requirement of the FLSA and remain properly classified.

For assistance with employee classification issues, wage and hour issues, or any other labor and employment law needs, please contact Jeffrey Stewart ([stewartj@whiteandwilliams.com](mailto:stewartj@whiteandwilliams.com), 610.782.4904) or any other member of our Labor and Employment group.

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