



Michigan District

The Lutheran Church—Missouri Synod

People of Hope ... Vigorously Making Known the Love of Christ

November 26, 2024

Dear Treasurers and Business Managers of Michigan District congregations,

Court Overturns Minimum Salary Increase for Overtime Exempt Employees

On November 15, 2024, a federal court struck down the Department of Labor rule that raised the salary threshold for overtime exempt employees. This nationwide ruling reverses the July 1, 2024 increase to \$844 per week and also the future increase planned January 1, 2025. This means that the minimum salary for exempt employees goes back to the original rate prior to July 1st of \$684 per week (\$35,568.00 annual). Employees must still meet the duties tests and other requirements to be exempt.

Possible Employer Options:

- **Salary Adjustments:** Employers who raised salaries to meet the July 1 threshold or in anticipation of the January 1 increase may revert to previous pay rates, but should be sure to consider how this would affect employees.
- **Reclassification:** Workers reclassified as nonexempt under the 2024 rule may be switched back to exempt if they meet the duties test, with advance notice where required. January 1st may be a good time to reconsider classifications if needed.

The decision above does not affect the Michigan hourly minimum wage and the ESTA(earned sick time act) that are due to take effect on February 15th, 2025.

Please feel free to contact our office at businessoffice@michigandistrict.org or reach out to Stacy Furgerson 734-213-3238 or Chad Woltemath 734-213-3239, if you need additional information. As always, we encourage you to also discuss your specific situations with your legal counsel.

In His Service,

Chad R. Woltemath
Vice President of Finance