

# CLIENT ALERTS

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## Michigan Proposes Broadened Scope of Overtime Eligibility for Salaried Workers

10.25.2019

The Michigan Department of Labor and Economic Opportunity will write a rule that would – if implemented – expand overtime rights beyond those set forth by the new federal rules that will take effect on January 1, 2020.

The federal rules, announced by the U.S. Department of Labor (“DOL”) in September 2019, would increase the salary threshold for the overtime exemption from \$23,660 annually (\$455 per week) to \$35,568 annually (\$684 per week). This means that currently exempt employees making less than \$35,568 will no longer qualify as exempt from overtime.

While the Request for Rulemaking does not set forth the exact amount over the federal rule that Michigan will seek as a floor for exempt employees, a salary threshold over \$50,000 is a distinct possibility. Such a high salary basis would mean that approximately 200,000 additional Michigan workers would be eligible for overtime. The estimated time for a final rule in Michigan is 8-12 months. Given the anticipated timeframe, Michigan employers should still plan to comply with the above federal rules when they take effect in January 2020.

Michigan’s proposed rule is part of a trend among states to take unilateral action regarding the salary threshold for exempt employees. California is raising its threshold to \$62,400 by 2022. New York is raising its to \$58,500 by dates between 2019 and the mid-2020’s varying by region. Washington State and Pennsylvania are finalizing agency rules to raise it to \$79,872 by 2026, and \$45,500 by 2022, respectively. Massachusetts has proposed raising it to \$64,000 by 2024, and Maine to \$55,000 by 2022.

If you have any questions about this DOL’s final regulation or the Fair Labor Standards Act, or the types of strategies that can be implemented to manage overtime, please contact the author of

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this Client Alert, your Butzel Long attorney, or any member of the Labor and Employment Law Group.

**This topic (and many others) will be covered in greater detail at Butzel Long's 32nd Annual Labor, Employment, Benefits, and Immigration Law Forum on November 14, 2019. You can register for this seminar at the following link: [resources-events-labor2019.html](#)**

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