

To: Deans' Academic Personnel Staff and CFAOs

From: Katina Napper, Assistant Vice Provost for Academic Personnel



Date: March 5, 2025

Re: **2025 FLSA Salary Basis Threshold**

On November 15, 2024 a Federal Judge vacated the Department of Labor's Fair Labor Standards Act (FLSA) April 2024 final rule on overtime exemptions. The Department of Labor (DOL) had issued revised regulations back in April 2024 which increased the minimum salary threshold for over-time exempt employees to \$844 per week effective July 1, 2024 and to \$1,128 per week effective January 1, 2025. The Federal Judge reinstated the minimum salary threshold, which had been in effect since January 1, 2020.

Pursuant to the revised overtime rule that had taken effect on July 1, 2024, non-faculty, non-student academic appointees in research or administrative positions making less than \$844 each week (equivalent to \$43,888 per year for a full-year employee) regardless of the number of days or hours worked were reclassified to non-exempt status.

With reinstatement of the January 1, 2020 minimum salary threshold, the University has decided to retain the \$844 per week threshold (equivalent to \$3,657.33 per month or \$43,888 per year) that was put into effect on July 1, 2024.

Both full-time and part-time academic appointees must earn at least \$844 per week to remain exempt. Academic appointees who do not meet both the salary threshold and the duties test will be reclassified to non-exempt overtime eligible.

All faculty, including lecturers, as well as other teaching titles, will be unaffected by this rule no matter how much they earn because the minimum salary threshold does not apply to those whose primary duty of teaching and imparting knowledge. Additionally, the DOL does not consider undergraduate and graduate students engaged in research and extracurricular activities employees and therefore they are not subject to minimum wage or overtime provisions of the FLSA. Non-faculty, non-student academic appointees in research or administrative positions, however, must meet both the duties test and the salary test.

Separately, academic appointees that meet the definition of a "covered health care employee" and provide patient care, health care services, or services supporting the

provision of health care in the following titles: Medical Residents and Interns, Dental Residents, Non-Physician Clinical Trainees, and Clinical Psychology Interns, are subject to the minimum salary thresholds under California Senate Bill 525 (SB 525). SB 525 set a new hourly minimum wage for health care workers and a new exempt minimum wage (which is the greater of 150% of the new health care worker minimum wage for a full-time exempt employee or 200% of the regular California minimum wage). While the enactment of this law was delayed until October 2024, academic appointees were reclassified to non-exempt status and/or had their salaries raised to meet the new minimum wage (\$23/hour) or exempt threshold (\$71,760/year) effective June 1, 2024, per the initial requirements in the law.

The FAQ-Payroll Transition for New Overtime-Eligible Employees has been updated for further guidance information.

For questions or more information concerning this memo, please send an email to academicpersonnel@ucr.edu.