Engage PEO Client Alert:

Update: Pennsylvania- Scheduled Increase on Exempt Employee Minimum Salary Requirements Repealed

The Pennsylvania General Assembly changed course regarding an administrative rule set to increase the salary threshold needed to qualify executive, administrative and professional (EAP) employees as exempt under the Pennsylvania Minimum Wage Act (PMWA) on October 3, 2021.

A previous Engage Alert issued in December 2020 explained that the Pennsylvania Department of Labor and Industry (PDLI) updated the overtime rules under the PMWA to match the current salary threshold for exempt employees under federal law ($684/week or $35,568/year). Additionally, the PDLI was scheduled to increase the salary thresholds for exempt employees to $875/week or $45,500/year on October 3, 2021 (increasing on an annual basis). **The legislature has repealed this rule, and employers are no longer required to increase salaries for exempt employees on October 3.**

Pennsylvania employers should follow federal guidelines regarding exemptions until the General Assembly enacts further regulations.

If you have any questions, please contact your Engage Human Resources Consultant or Account Manager.