NNA Member Alert - August 31, 2023

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**US Department of Labor proposes nearly a 55% increase in exempt-employee salaries**

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A major salary increase may be headed for newspapers’ budgets to maintain the professional status of some employees. The Biden administration has proposed increasing the required salary for employees considered exempt under Wage and Hour law from $35,568 a year to $55,068 a year. For employees considered exempt as highly compensated employees, the increase would go from $107,432 to $143,988.

The proposal is not yet final. Companies and individuals will have an opportunity to comment on the proposal, with a deadline set at 60 days after the proposed rule is published in the Federal Register. National Newspaper Association will notify its members when the deadline is set, along with information on how to comment.

For employees to be classified as exempt, and therefore paid on a flat salary without eligibility for overtime pay, each much meet three criteria:

--paid on a salary basis, regardless of hours worked

--paid a salary above the exempt minimum (proposed to be $55,068)

--performing duties considered exempt under DOL regulations. A summary of the requirements can be found at [Fact Sheet #17A: Exemption for Executive, Administrative, Professional, Computer & Outside Sales Employees Under the Fair Labor Standards Act (FLSA) | U.S. Department of Labor (dol.gov)](https://www.dol.gov/agencies/whd/fact-sheets/17a-overtime).

Most community newspaper newsroom employees are not considered exempt employees under DOL rules because their duties do not meet the standards. However, a statutory exemption from the Wage and Hour rules for newspapers under 4,000 circulation continues to apply.

NNA Chair John Galer, publisher of The Journal-News in Hillsboro, Illinois, said the steep increase proposed by the administration would add to the pressures threatening the survival of newspapers.

“The problem with this proposal, like so many that are well-intended by political bodies, is that while governments can make promises to employees, it cannot tell businesses where the money is going to come from to fulfill these promises.” Galer said. “In our industry, new revenues are hard to find. Most newspapers will have to plan for their survival simply by cutting out more jobs. In the end, no one wins.”