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4 in 2024: An Employment Law Year in Review

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As the year comes to a close, we will start to see companies, news outlets, and other services publish their “best of” or “top x” lists for the year for music, TV shows, movies, books, apps, restaurants, and more. If you're looking for the top developments in employment law, look no further. Here are four of 2024's most significant developments in labor and employment law.

1. The Fair Labor Standards Act and the White-Collar Exemption

In April, the U.S. Department of Labor (DOL) issued a rule aimed at raising the salary threshold for overtime exemptions under the Fair Labor Standards Act (FLSA). This rule proposed to increase the salary threshold for the white-collar exemption from $36,000 to $44,000 on July 1, 2024, and then to $59,000 on Jan. 1, 2025. The proposed rule also would have increased the threshold for highly compensated employees to $151,164. If implemented, these proposals would have increased the number of employees eligible for overtime pay.

Shortly thereafter, however, this rule became embroiled in federal litigation. On Nov. 15, 2024, a federal judge in Texas struck down the DOL's proposed rule. As a result, the salary thresholds reverted to the 2019 rule, resetting the white-collar and highly compensated employee exemptions at $35,568 and $107,432, respectively, and enabling employers to roll back those salary increases.

2. The Federal Trade Commission and Non-Compete Agreements

In May, the Federal Trade Commission (FTC) promulgated a rule that effectively banned non-compete agreements and required employers not to enforce them, which was supposed to take effect in September 2024. The National Labor Relations Board also stated its intent to join the FTC's efforts to curb the use of non-compete agreements.

Like the DOL's white-collar exemption, the FTC's rule came under fire in federal litigation and has since been enjoined. In October, the FTC appealed that ruling and that appeal remains pending.

3. Equal Employment Opportunity Commission Guidance on the Pregnant Workers Fairness Act

The Pregnant Workers Fairness Act (PWFA) offers protections for pregnant employees, including

requiring employers to provide workplace accommodations. In April, the Equal Employment Opportunity Commission (EEOC) published final interpretative guidance and regulations implementing the PWFA, which became effective in June.

According to the EEOC, accommodations may be available for the temporary inability to perform an essential job function if the employee is expected to be able to perform the function at a to-be-determined time in the future. Moreover, a qualifying medical condition under the PWFA doesn't have to be solely caused by pregnancy and childbirth and can include conditions such as lactation, vomiting, abortion, and pre-eclampsia. This rule survived an initial federal challenge by a coalition of state attorneys general earlier this year.

4. The U.S. Supreme Court and *Loper Bright*

In June, the U.S. Supreme Court decided *Loper Bright Enterprises v. Raimondo* and, in doing so, overturned the 40-year-old *Chevron* doctrine, which had required courts to defer to federal agencies' reasonable interpretations of ambiguous statutes. In the aftermath of *Loper Bright*, federal courts will now likely take a more active role in scrutinizing agency rulemaking, regulations, and adjudications. The demise of *Chevron* deference will affect major federal labor and employment agencies and laws, including the NLRB, the DOL, the FTC, and more.

Changes in labor and employment law are common whenever presidential administrations change, especially when moving from one party to another. Employers will want to monitor these 2024 developments as we move into 2025 and be mindful that changes are likely on the way.

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