



WHITE COLLAR EMPLOYEE PAY REQUIREMENTS

This document is an analysis of states with minimum salary or fee pay requirements that are higher than federal overtime law needed in order for an employee working in an executive, administrative or professional capacity to qualify for an exemption. The document was commissioned by the National Restaurant Association in conjunction with the Restaurant Law Center from the law firm of Littler Mendelson, P.C., and accurate as of December 13, 2016. This document is distributed by the National Restaurant Association and the Restaurant Law Center with the understanding that neither the Association nor the Law Center is rendering legal services. This document should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and are not a substitute for legal counsel or other expert advice.

MINIMUM SALARY OR FEE PAY REQUIREMENTS EXCEEDING THE FEDERAL RATE

Under the FLSA, in addition to satisfying a duties test, an individual employed in a bona fide executive capacity must be paid at least a specific amount on a salary basis, and an individual employed in a bona fide administrative or professional capacity must be paid at least a specific amount on a salary or fee basis. Although the U.S. Department of Labor's recent final rule sought to increase the minimum pay requirements for these employees, a federal district court judge preliminarily enjoined the Department from implementing the rule. The Department has filed an emergency appeal to the Fifth Circuit Court of Appeals; however, given the briefing schedule, and the new administration, it is likely (but not definitely settled) that the final rule will not take effect and existing pay requirements will continue to apply. The existing requirements are:

- Compensated on a salary or fee* basis (*only for administrative / professional) at a rate of not less than \$455 per week, exclusive of board, lodging, or other facilities
- The \$455 a week may be translated into equivalent amounts for periods longer than one week
 - \$910 (Bi-Weekly)
 - \$985.83 (Semi-Monthly)
 - \$1,971.66 (Monthly)
 - \$23,660 (Annual)

The following states have or will have a minimum pay requirement that exceeds the federal rate: 1) **Alaska** [Currently]; 2) **California** [Currently]; **Colorado** (Executive or Supervisor) [January 1, 2017 – Possibly]; 4) **Connecticut** (Short Test) [Currently]; 5) **Iowa** (Short Test) [Currently]; 6) **Maine** [January 7, 2017]; 7) **New York** (Executive or Administrative) [Currently]; and 8) **Oregon** (Urban) [July 1, 2018] & General and Nonurban [July 1, 2020].

	2017	2018	2019	2020
ALASKA				
Paid on a salary or fee basis at a rate of not less than 2 times the state minimum wage for the first 40 hours of employment each week, exclusive of employer-furnished board or lodging.				
ANNUAL	\$40,768	TBD	TBD	TBD
WEEKLY	\$784	TBD	TBD	TBD
CALIFORNIA				
Earn a monthly salary equivalent to no less than 2 times the state minimum wage for fulltime employment (employment in which an employee is employed for 40 hours per week).				
26 OR MORE EMPLOYEES				
ANNUAL	\$43,680	\$45,760	\$49,920	\$54,080
WEEKLY	\$840	\$880	\$960	\$1,040
25 OR FEWER EMPLOYEES				
ANNUAL	\$41,600	\$43,680	\$45,760	\$49,920
WEEKLY	\$800	\$840	\$880	\$960
COLORADO (EXECUTIVE OR SUPERVISOR)				
Earn in excess of the equivalent of the minimum wage for all hours worked in a workweek.				
<ul style="list-style-type: none"> Dollar figures based on working 40, 50, or 60 hours per week. Administrative and professional exemptions only require an employee be paid a salary (<i>i.e.</i>, salary is not tied to hours worked like it is for executives / supervisors). 				
ANNUAL	Exceed \$19,344 Exceed \$24,180 Exceed \$29,016	Exceed \$21,216 Exceed \$26,520 Exceed \$31,824	Exceed \$23,088 Exceed \$28, 860 Exceed \$34,632	Exceed \$24,960 Exceed \$31,200 Exceed \$37,440
WEEKLY	Exceed \$372 Exceed \$465 Exceed \$558	Exceed \$408 Exceed \$510 Exceed \$612	Exceed \$444 Exceed \$555 Exceed \$666	Exceed \$480 Exceed \$600 Exceed \$720
CONNECTICUT (SHORT TEST)				
<u>Long Test</u> : Compensated on a salary or fee* basis (*only for administrative / professional) at a rate of not less than \$400 per week, exclusive of board, lodging, or other facilities.				
<u>Short Test</u> : Compensated on a salary or fee* basis (*only for administrative / professional) at a rate of not less than \$475 per week, exclusive of board, lodging, or other facilities.				
ANNUAL	\$24,700	No change	No change	No change
WEEKLY	\$475	No change	No change	No change
IOWA (SHORT TEST)				
<u>Long Test</u> : Compensated on a salary or fee* basis (*only for administrative / professional) at a rate of not less than \$310 (\$340 for professional) per week, exclusive of board, lodging, or other facilities.				
<u>Short Test</u> : Compensated on a salary or fee* basis (*only for administrative / professional) at a rate of not less than \$500 per week, exclusive of board, lodging, or other facilities.				
ANNUAL	\$26,000	No change	No change	No change
WEEKLY	\$500	No change	No change	No change
MAINE				
Regular compensation, when converted to an annual rate, exceeds 3000 times the state minimum wage or the annualized FLSA rate set by the U.S. Labor Department, whichever is higher.				
ANNUAL	Exceed \$27,000 (1/7)	Exceed \$30,000 (1/1)	Exceed \$33,000 (1/1)	Exceed \$36,000 (1/1)
WEEKLY	Exceed \$519.23 (1/7)	Exceed \$576.92 (1/1)	Exceed \$634.61 (1/1)	Exceed \$692.30 (1/1)

NEW YORK (EXECUTIVE OR ADMINISTRATIVE)

Option 1: Paid for services a salary, inclusive of board, lodging, or other allowances and facilities.

Option 2: Pay the state minimum wage rate and overtime at 1.5 times the state minimum wage.

- Based on proposed numbers: Increases begin 12/31/16 & occur each 12/31. The rate for a year also includes (for the last day of that year) the rate identified in the next year.
- The professional test does not contain a pay component.
- Chart covers Option 1. Minimum salary is 75 times the state minimum wage. The only time the multiplier differs is Remainder of State for 12/31/18 – 12/30/19 (74.96).

NEW YORK CITY (11 OR MORE EMPLOYEES)

ANNUAL	\$42,900	\$50,700	\$58,500	No change
WEEKLY	\$825	\$975	\$1,125	No change

NEW YORK CITY (10 OR FEWER EMPLOYEES)

ANNUAL	\$40,950	\$46,800	\$52,650	\$58,500
WEEKLY	\$787.50	\$900	\$1,012.50	\$1,125 No change (12/31)

NASSAU, SUFFOLK & WESTCHESTER COUNTIES

ANNUAL	\$39,000	\$42,900	\$46,800	\$50,700 \$54,600 (12/31)
WEEKLY	\$750	\$825	\$900	\$975 \$1,050 (12/31)

REMAINDER OF STATE

ANNUAL	\$37,830	\$40,560	\$43,264	\$46,020 \$48,750 (12/31)
WEEKLY	\$727.50	\$780	\$832	\$885 \$937.50 (12/31)

OREGON

Earns a salary and is paid on a salary basis, exclusive of board, lodging, or other facilities. A salary is no less than the state minimum wage multiplied by 2,080 hours per year then divided by 12 months. It is a predetermined amount constituting all or part of the employee's compensation paid for each pay period of 1 week or longer (but not to exceed 1 month).

GENERAL

ANNUAL	\$20,280 (1/1) \$21,320 (7/1)	\$21,320 (1/1) \$22,360 (7/1)	\$22,360 (1/1) \$23,400 (7/1)	\$23,400 (1/1) \$24,960 (7/1)
WEEKLY	\$390 (1/1) \$410 (7/1)	\$410 (1/1) \$430 (7/1)	\$430 (1/1) \$450 (7/1)	\$450 (1/1) \$480 (7/1)

URBAN

ANNUAL	\$20,280 (1/1) \$23,400 (7/1)	\$23,400 (1/1) \$24,960 (7/1)	\$24,960 (1/1) \$26,000 (7/1)	\$26,000 (1/1) \$27,560 (7/1)
WEEKLY	\$390 (1/1) \$450 (7/1)	\$450 (1/1) \$480 (7/1)	\$480 (1/1) \$500 (7/1)	\$500 (1/1) \$530 (7/1)

NONURBAN

ANNUAL	\$19,760 (1/1) \$20,800 (7/1)	\$20,800 (1/1) \$21,840 (7/1)	\$21,840 (1/1) \$22,880 (7/1)	\$22,880 (1/1) \$23,920 (7/1)
WEEKLY	\$380 (1/1) \$400 (7/1)	\$400 (1/1) \$420 (7/1)	\$420 (1/1) \$440 (7/1)	\$440 (1/1) \$460 (7/1)

STATES THAT REQUIRE EXECUTIVE, ADMINISTRATIVE, AND PROFESSIONAL EMPLOYEES TO BE PAID THE MINIMUM WAGE

Executive, administrative, and professional employees are exempt from the FLSA’s minimum wage and overtime requirements. In many states, they are also exempt from state law minimum wage and overtime requirements. However, various states exempt these employees from overtime – but not minimum wage – requirements. Moreover, within some of these states are local jurisdictions with minimum wage laws that apply to these exempt employees. Accordingly, in these locations an employee possibly can file a lawsuit alleging his or her salary or fee payment results in payment below the applicable minimum wage law (for FLSA-covered businesses in these jurisdictions, the FLSA’s \$455 per week standard applies).

2017 MINIMUM WAGE	2018 MINIMUM WAGE	2019 MINIMUM WAGE	2020 MINIMUM WAGE
ARIZONA			
\$10.00	\$10.50	\$11.00	\$12.00
FLAGSTAFF (IF STATE PREEMPTION LAW LEGAL CHALLENGE IS SUCCESSFUL)			
\$12.00 (7/1)	\$12.50 (1/1)	\$13.00 (1/1)	\$15.00 or \$2 Above State Rate (1/1)
GEORGIA			
\$5.15	No change	No change	No change
ILLINOIS			
\$8.25	No change	No change	No change
CHICAGO			
\$10.50 (1/1) / \$11.00 (7/1)	\$11.00 (1/1) / \$12.00 (7/1)	\$12.00 (1/1) / \$13.00 (7/1)	\$13.00 (1/1) / TBD (7/1)
COOK COUNTY			
\$10.00 (7/1)	\$10.00 (1/1) / \$11.00 (7/1)	\$11.00 (1/1) / \$12.00 (7/1)	\$12.00 (1/1) / \$13.00 (7/1)
MASSACHUSETTS			
\$10.00	No change	No change	No change
NEVADA			
\$8.25 or \$7.25 (Whether Health Benefits Offered) (1/1) or TBD (7/1)	TBD	TBD	TBD
NEW HAMPSHIRE			
\$7.25	No change	No change	No change
NEW JERSEY			
\$8.44	TBD	TBD	TBD
NORTH DAKOTA			
\$7.25	No change	No change	No change
RHODE ISLAND			
\$9.60	No change	No change	No change
SOUTH DAKOTA			
\$8.65	TBD	TBD	TBD
UTAH			
\$7.25	No change	No change	No change
WISCONSIN			
\$7.25	No change	No change	No change