

The New Year Brings Changes to New York State's "White Collar" Exemption Salary Threshold

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On December 28, 2016, the New York State Department of Labor published its final regulation that affects the ability of certain workers to be classified as exempt from overtime. The salary amount that employers must pay to administrative and executive employees to obtain an exemption from overtime pay will now vary depending on the employer's location within the state and the size of the employer.

Although New York State's salary threshold of \$675 per week (\$35,100 annually) was greater than the federal rule of \$455 (\$23,660 annually) per week, most employers had been preparing for a new federal rule that would have raised the exemption from overtime pay for professional, executive and administrative employees to \$913 per week (\$47,476 annually). However, a nationwide preliminary injunction was issued in *State of Nevada v. U.S. Department of Labor* that prevented the federal rule change. Now, New York employers must abide by the state's salary threshold changes for administrative and executive employees regardless of the uncertainty around the federal rule. It is important to note that New York State has no minimum salary threshold for those categorized as "professional employees" to be considered exempt from overtime pay.

The increases based on geographic area and employer size are as follows:

- Employers in New York City
 - Large employers (11 or more employees)
 - \$825.00 per week (\$42,900 annually) on and after 12/31/16
 - \$975.00 per week (\$50,700 annually) on and after 12/31/17
 - \$1,125.00 per week (\$58,500 annually) on and after 12/31/18
 - Small employers (10 or fewer employees)
 - \$787.50 per week (\$40,950 annually) on and after 12/31/16
 - \$900.00 per week (\$46,800 annually) on and after 12/31/17
 - \$1,012.50 per week (\$52,650 annually) on and after 12/31/18
 - \$1,125.00 per week (\$58,500 annually) on and after 12/31/19
- Employers in Nassau, Suffolk, and Westchester Counties
 - \$750.00 per week (\$39,000 annually) on and after 12/31/16
 - \$825.00 per week (\$42,900 annually) on and after 12/31/17
 - \$900.00 per week (\$46,800 annually) on and after 12/31/18
 - \$975.00 per week (\$50,700 annually) on and after 12/31/19
 - \$1,050.00 per week (\$54,600 annually) on and after 12/31/20
 - \$1,125.00 per week (\$58,500 annually) on and after 12/31/21
- Employers outside of New York City, Nassau, Suffolk, and Westchester Counties
 - \$727.50 per week (\$37,830 annually) on and after 12/31/16

- o \$780.00 per week (\$40,560 annually) on and after 12/31/17
- o \$832.00 per week (\$43,264 annually) on and after 12/31/18
- o \$885.00 per week (\$46,020 annually) on and after 12/31/19
- o \$937.50 per week (\$48,750 annually) on and after 12/31/20

Please contact Amy Habib Rittling or Vincent Miranda to discuss how to properly classify employees as exempt under the white collar exemptions or to learn about the status of *State of Nevada v. U.S. Department of Labor*.

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