



NOVEMBER 13, 2018

## **New York's Minimum Salary Thresholds For Overtime And Minimum Wage Exemptions Will Increase On December 31, 2018**

New York's salary thresholds for exemption as an "administrative" or "executive" employee will increase on December 31, 2018, as set forth in amendments to the minimum wage orders in 2016. New York State and New York City employers should increase the salaries of employees exempt from the overtime and minimum wage laws under the executive and administrative exemptions to maintain these exemptions.

The salary thresholds for the executive and administrative exemptions will increase as follows:

### **New York City Large Employers (11 or more employees)**

- Minimum salary threshold increases from \$975 per week (\$50,700 annually) to \$1,125 per week (\$58,500 annually), on and after 12/31/18.

### **New York City Small Employers (10 or fewer employees)**

- Minimum salary threshold increases from \$900 per week (\$46,800 annually) to \$1,012.50 per week (\$52,650 annually), on and after 12/31/18;
- \$1,125.50 per week (\$58,500), on and after 12/31/19.

### **Nassau, Suffolk, and Westchester Counties**

- Minimum salary threshold increases from \$825 per week (\$42,900 annually) to \$900 per week (\$46,800 annually), on and after 12/31/18;
- \$975 per week (\$50,700 annually), on and after 12/31/19;
- \$1,050 per week (\$54,600 annually) on and after 12/31/20;
- \$1,125 per week (\$58,500 annually) on and after 12/31/21.

## **Remainder of New York State**

- Minimum salary threshold increases from \$780 per week (\$40,560 annually) to \$832 per week (\$43,264 annually), on and after 12/31/18;
- \$885 per week (\$46,020 annually) on and after 12/31/19;
- \$937.50 per week (\$48,750 annually) on and after 12/31/20.

The new minimum salary threshold will begin on the first day of the workweek in which December 31, 2018 falls.

New York State has no minimum salary for employees exempt under the “professional” exemption. However, exempt “professional” employees still remain subject to the current federal salary minimum for the exemption (\$455 per week, or \$23,660 annually).

Employers should also note corresponding increases to the allowances for tips, meals, lodging, utilities, and uniform maintenance, which also take effect on December 31, 2018. Information on these increases for the [miscellaneous industries](#), [hospitality industries](#), and [building service industry](#) are available on the State Department of Labor website and are also attached to this Alert.

## **Takeaway for Employers**

New York employers should review their payroll practices to determine whether employees who are classified as exempt under the administrative or executive exemptions meet the new minimum salary requirements. If these employees do not meet the minimum salary thresholds, employers should determine whether the employees’ salaries should be increased or whether their positions should be reclassified as non-exempt. As a reminder, employers should track the hours of non-exempt employees for overtime purposes.

In addition, since the exemption status of an employee depends on meeting both the salary threshold and a primary duties test, employers are encouraged to regularly review the primary duties tests for executive, administrative, and professional exemptions to ensure proper classifications.

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If you have any questions regarding employee classifications or exemptions under state and federal wage and hour laws, feel free to contact us.

**[PUTNEY, TWOMBLY, HALL & HIRSON LLP](#)**