

## New York's Salary Threshold for Exempt Employees Set to Exceed \$913.00 Per Week

You read that right — not to be outdone by its federal counterpart — the [New York Department of Labor recently proposed significant changes to the salary threshold](#) applicable to exempt executive and administrative employees in New York State — changes all New York employers should be aware of.

As you know, both state and federal law regulate exempt status and, to be exempt, an employee must satisfy the requisite tests under both. While employers are preparing for [changes at the federal level](#) that will go into effect on December 1st — raising the salary threshold for most executive, administrative and professional employees to \$913.00 per week — the New York State Department of Labor has taken the opportunity to propose significant increases to New York's salary threshold.

Currently, the salary threshold for executive and administrative employees (NY law does not set a salary threshold for professional employees) is set at \$675.00 per week — 75 times the current minimum wage of \$9.00 per hour. With [the minimum wage set to gradually increase in coming years](#) (at different rates depending on geography), the Department of Labor has proposed corresponding increases in the applicable salary threshold. As a result of these proposed increases, New York's salary threshold will overtake the federal threshold in coming years. (Note: because the \$913.00 per week federal salary threshold will be indexed, it will be adjusted every three years with the first such adjustment occurring in 2020.)

Specifically, the Department of Labor has proposed the following increases to New York's salary threshold for the executive and administrative exemptions:

### **Employers Outside of New York City, Nassau, Suffolk, and Westchester Counties**

- \$727.50 per week on and after 12/31/16;
- \$780.00 per week on and after 12/31/17;
- \$832.00 per week on and after 12/31/18;
- \$885.00 per week on and after 12/31/19;
- \$937.50 per week on and after 12/31/20

### **Employers in New York City**

#### ***“Large” employers (11 or more employees)***

- \$825.00 per week on and after 12/31/16;
- \$975.00 per week on and after 12/31/17;
- \$1,125.00 per week on and after 12/31/18;

#### ***“Small” employers (10 or fewer employees)***

- \$787.50 per week on and after 12/31/16;
- \$900.00 per week on and after 12/31/17;
- \$1,012.50 per week on and after 12/31/18;
- \$1,125.00 per week on and after 12/31/19;

### Employers in Nassau, Suffolk, and Westchester Counties

- \$750.00 per week on and after 12/31/16;
- \$825.00 per week on and after 12/31/17;
- \$900.00 per week on and after 12/31/18;
- \$975.00 per week on and after 12/31/19;
- \$1,050.00 per week on and after 12/31/20;
- \$1,125.00 per week on and after 12/31/21;

After a 45-day public comment period, the Department of Labor will likely move toward finalizing these proposed changes.

As if business owners, executives, and human resource professionals did not have enough to deal with.

If you have any questions about this Information Memo, please contact [John M. Bagyi](#), any of the [attorneys](#) in our [Labor and Employment Law Practice](#), or the attorney in the firm with whom you are regularly in contact.



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