

# FLSA EXEMPT EMPLOYEES



The FLSA requires most employees in the United States to be paid at least the federal minimum wage for all hours worked and overtime pay at not less than time and one-half the regular rate of pay for all hours worked over 40 in a workweek. However, there are exemptions for certain categories of employees, primarily known as "white-collar" exemptions, which include executive, administrative, professional, computer, and outside sales employees. These exemptions are defined by specific criteria regarding job duties and compensation.



## Executive Exemption

- Salary Basis: Must be compensated on a salary basis at a rate not less than \$684 per week. *Salary threshold increases to \$844/week on July 1, 2024 and \$1128/week on January 1, 2025.*
- Primary Duty: Managing the enterprise or a customarily recognized department or subdivision.
- Supervisory Role: Must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent.
- Hiring Authority: Must have the authority to hire or fire other employees, or have significant influence on such decisions.
- Example: A program director at a residential facility for individuals with IDD who oversees daily operations, manages staff schedules, evaluates employee performance, and makes decisions about hiring and firing employees.



## Administrative Exemption

- Salary Basis: Must be compensated on a salary or fee basis at a rate not less than \$684 per week. *Salary threshold increases to \$844/week on July 1, 2024 and \$1128/week on January 1, 2025.*
- Primary Duty: Performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers.
- Discretion and Judgment: Must include the exercise of discretion and independent judgment with respect to matters of significance.
- Example: An administrative manager who develops and implements policies and procedures for service delivery, manages budgets, and ensures regulatory compliance for an IDD service provider.



## Professional Exemption

- **Learned Professional**

- Salary Basis: Must be compensated on a salary or fee basis at a rate not less than \$684 per week. *Salary threshold increases to \$844/week on July 1, 2024 and \$1128/week on January 1, 2025.*
- Primary Duty: Performance of work requiring advanced knowledge, predominantly intellectual in character, requiring discretion and judgment.
- Field: Advanced knowledge must be in a field of science or learning and customarily acquired by a prolonged course of specialized intellectual instruction.
- Example: A licensed clinical psychologist who provides therapeutic services, conducts assessments, and develops treatment plans for individuals with IDD.

- **Creative Professional**

- Salary Basis: Must be compensated on a salary or fee basis at a rate not less than \$684 per week. *Salary threshold increases to \$844/week on July 1, 2024 and \$1128/week on January 1, 2025.*
- Primary Duty: Performance of work requiring invention, imagination, originality, or talent in a recognized field of artistic or creative endeavor.
- Example: An art therapist who creates and conducts art therapy sessions tailored to the needs of individuals with IDD, using their creativity and artistic skills to support emotional and mental well-being.



## Computer Employee Exemption

- Compensation: Must be compensated either on a salary or fee basis at a rate not less than \$684 per week (*Salary threshold increases to \$844/week on July 1, 2024 and \$1128/week on January 1, 2025*) or on an hourly basis at a rate not less than \$27.63 an hour.
- Primary Duty: Must include:
  - Application of systems analysis techniques and procedures, including consulting with users.
  - Design, development, documentation, analysis, creation, testing, or modification of computer systems or programs.
  - Design, documentation, testing, creation, or modification of computer programs related to machine operating systems.
- Example: An IT specialist who develops and maintains software applications used by a non-profit organization serving the IDD community, ensuring systems meet user requirements and function correctly.

# FLSA EXEMPT EMPLOYEES CONTINUED

## Highly Compensated Employees (HCE)

- **Compensation:** Must earn total annual compensation of \$107,432 or more, which includes at least \$684 per week (*Salary threshold increases to \$844/week on July 1, 2024 and \$1128/week on January 1, 2025*) paid on a salary or fee basis. *Salary threshold for HCE's increases to \$132,964 annually on July 1, 2024 and \$151,164 annually on January 1, 2025.*
- **Primary Duty:** Office or non-manual work and customarily and regularly performing at least one of the duties of an exempt executive, administrative, or professional employee.
- **Example:** A chief executive officer (CEO) of an IDD support organization who earns a high salary, oversees multiple departments, and regularly exercises discretion in making significant business decisions.

### Salary Basis Requirement

- **Regular Pay:** Employees must regularly receive a predetermined amount of compensation each pay period on a weekly, or less frequent, basis.
- **Deductions:** The predetermined amount cannot be reduced due to variations in the quality or quantity of work performed.

## Additional Information

For more detailed information on specific exemptions and compliance requirements, visit the U.S. Department of Labor Wage and Hour Division website or call their toll-free information and helpline.

- Website: <https://www.dol.gov/agencies/whd>
- Helpline: 1-866-4USWAGE (1-866-487-9243)



Still have questions? Reach out to your  
Technical Assistance Team!



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