



Final Ruling Issued - What you need to know

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New Minimum Salary Test set at \$47,476

As of December 1, 2016 the new minimum Salary test will be \$47,476 annually, \$913 per week, or \$3596.33 per month. This is significantly higher than the current rate of \$23,660 per year and even higher than the current CA salary test of \$41,600. So what does this really mean for employers?

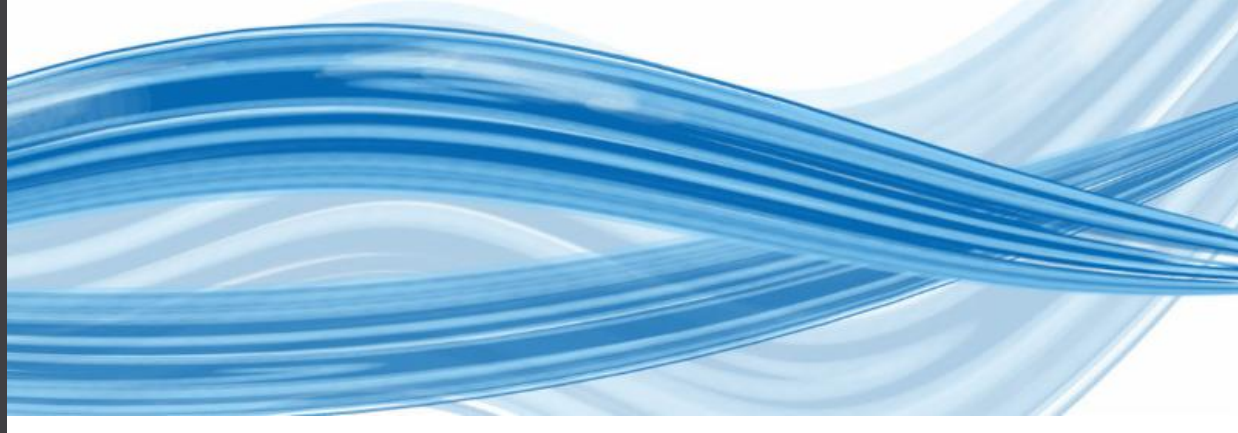
Time is limited: Employers must make adjustments by the pay period in which Dec 1st falls to maintain compliance.

Bonus/Commission can be included in compensation: Non-discretionary incentive income such as bonuses or commissions up to 10% of total compensation may be included *provided* payments are made at least quarterly. This is a new concession to employers that wasn't previously available.

Highly Compensated Employees: The Highly Compensated Employee exemption is increasing from \$100,000 to \$134,000.

Automatic Updates: Salary test levels will be adjusted every three years starting in 2020. Current estimates by the DOL forecast an increase to \$51,168.

Other Considerations: There are no changes to the existing duties tests, however employers need to be mindful of state and local requirements as well. Owners, executives and HR professionals should immediately start reviewing for affected employees and begin developing a communications strategy around changes.



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