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Labor and Employment Alert: New York Raises the Salary Threshold for its Overtime Exemptions

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The U.S. Department of Labor’s new overtime rules would have increased the minimum salary level for most overtime pay exemptions from \$455 per week to \$913 per week effective December 1, 2016. But, for now, that increase is blocked as a result of a lawsuit in federal court in Texas, and so the current minimum salary for most of the overtime pay exemptions under the Fair Labor Standards Act remains \$455 per week. While the saga of the DOL’s overtime rules plays out in the Fifth Circuit Court of Appeals, New York has raised its own salary threshold for being overtime-exempt under New York law.

Before the increase, the minimum salary level in New York for executive and administrative employees to be overtime-exempt was \$675 per week (or \$35,100 annually). As of December 31, 2016, however, the threshold has increased and varies depending on where the employee works in the state: **New York City Large Employers (11 or more employees)** **New York City Small Employers**

(10 and fewer employees)		Weekly	Annually	Date	Weekly	Annually	Date	Weekly	Annually	Date
\$825.00	\$42,900	12/31/2016	\$787.00	\$40,924	12/31/2016	\$975.00	\$50,700	12/31/2017	\$900.00	\$46,800
		12/31/2017	\$1,125.00	\$58,500	12/31/2018	\$1,012.50	\$52,650	12/31/2018	\$1,125.00	\$58,500
		12/31/2018			12/31/2019			12/31/2019		12/31/2019

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Weekly	Annually	Date	Weekly	Annually	Date
\$750.00	\$39,000	12/31/2016	\$727.00	\$37,830	12/31/2016
\$825.00	\$42,900	12/31/2017	\$780.00	\$40,560	12/31/2017
\$900.00	\$46,800	12/31/2018	\$832.50	\$42,264	12/31/2018
\$975.00	\$50,700	12/31/2019	\$885.00	\$46,020	12/31/2019
\$1,050.00	\$54,600	12/31/2020	\$937.50	\$48,750	12/31/2020
\$1,125.00	\$58,500	12/31/2021			

The Fair Labor Standards Act permits states to enact a higher salary threshold in order to qualify for the overtime exemption. As a result, employers in New York have to contend with a significantly higher (and, for several years, annually increasing) threshold in order for their employees to remain exempt from overtime. Contact your Vorys lawyer if you have questions about New York’s wage-hour laws.