



New York State's Exempt Salary Thresholds Are Increasing

Even though a Texas judge issued an injunction on the U.S. Dept. of Labor's Overtime Rule, New York State's Dept. of Labor has proposed changing the N.Y. salary threshold for salary exempt employees.

What's the Current Threshold and How Is It Determined?

New York State has a current salary level of \$675 per week, which is 75 times the State's minimum wage. As the minimum wage increases, the salary threshold increases proportionally.

What Are the Proposed Salary Level Increases?

As you know, the State voted to raise the minimum wage incrementally over the next five years; therefore, exempt salary levels will increase, as well. The proposed salary levels and their effective dates are as follows:

New York City Large Employers (11 or more employees):

\$825.00 per week on and after December 31, 2016
\$975.00 per week on and after December 31, 2017
\$1,125.00 per week on and after December 31, 2018

New York City Small Employers (10 or fewer employees):

\$787.50 per week on and after December 31, 2016
\$900.00 per week on and after December 31, 2017
\$1,012.50 per week on and after December 31, 2018
\$1,125.00 per week on and after December 31, 2019

Remainder of Downstate (Nassau, Suffolk and Westchester counties):

\$750.00 per week on and after December 31, 2016
\$825.00 per week on and after December 31, 2017
\$900.00 per week on and after December 31, 2018
\$975.00 per week on and after December 31, 2019
\$1,050.00 per week on and after December 31, 2020
\$1,125.00 per week on and after December 31, 2021

Remainder of the State:

\$727.50 per week on and after December 31, 2016
\$780.00 per week on and after December 31, 2017
\$832.00 per week on and after December 31, 2018
\$885.00 per week on and after December 31, 2019
\$937.50 per week on and after December 31, 2020

What Does this Mean for New York State Employers?

New York State employers will need to comply with the new minimum salary levels listed above for salary exempt employees. If salaries are not increased to meet the levels required, then your salary exempt employees will be eligible for overtime pay. For example, if you have a salary

exempt employee earning \$700 per week and you do not increase his/her weekly earnings to meet the levels listed above by Dec. 31, he/she will be eligible for overtime pay for any hours worked over 40 hours. For an explanation of salary exempt employees, please visit the New York State Dept. of Labor's website at <https://labor.ny.gov/legal/counsel/pdf/overtime-frequently-asked-questions.pdf>.

The NRLA is monitoring this regulatory change very closely and is working with the business community to challenge the increases. The NRLA will continue to update members on this issue.

If you have any questions or concerns, please contact NRLA's government affairs department at 800.292.6752 or e-mail govtaffairs@nrla.org.