



CLIENT ALERT

Minimum Salary Thresholds for Overtime Exemptions in New York - 2017

The New York State Department of Labor, with just two business days' notice, increased the minimum weekly salary thresholds that employers must pay in order for their executive and administrative employees to be exempt from overtime pay obligations under New York State law. Moreover, the minimum salary thresholds will now vary according to the location and/or size of the employer.

The minimum salary thresholds the New York State Department of Labor has now established are set forth below:

NYC employers with 11 or more employees:

Minimum Weekly Salary Threshold	Effective Date
\$825.00	December 31, 2016
\$975.00	December 31, 2017
\$1,125.00	December 31, 2018

NYC Employers with 10 or fewer employees:

Minimum Weekly Salary Threshold	Effective Date
\$787.50	December 31, 2016
\$900.00	December 31, 2017
\$1,012.50	December 31, 2018
\$1,125.00	December 31, 2019

Nassau / Suffolk / Westchester – All Employers

Minimum Weekly Salary Threshold	Effective Date
\$750.00	December 31, 2016
\$825.00	December 31, 2017
\$900.00	December 31, 2018
\$975.00	December 31, 2019
\$1,050.00	December 31, 2020
\$1,125.00	December 31, 2021

Rest of New York State– All Employers (Outside NYC, Nassau, Suffolk, & Westchester)

Minimum Weekly Salary Threshold	Effective Date
\$727.50	December 31, 2016
\$780.00	December 31, 2017
\$832.50	December 31, 2018
\$885.00	December 31, 2019
\$937.50	December 31, 2020

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If these new salary thresholds result in higher salaries for your exempt executive or administrative employees, please complete and distribute your Wage Theft Prevention Act Notice of Pay Rate Forms (the 195.1 forms) specifying the new pay rate applicable to each exempt executive or administrative employee.

In the event an employer is unwilling to increase exempt executive or administrative employees' salaries to the new statutory thresholds, the employer will need to reclassify these employees as non-exempt. Newly-classified non-exempt employees must immediately start accurately recording hours worked, and must be paid at time and a half their regular hourly rate for all hours worked over 40 in a workweek.

Finally, a federal court has blocked, for the time being, any increase in the federal minimum salary threshold for exempt employees under The Fair Labor Standards Act.

If you have questions or would like additional information, please contact Amanda M. Fugazy (afugazy@egsllp.com), Paul P. Rooney (prooney@egsllp.com), Valerie J. Bluth (vbluth@egsllp.com) or the primary EGS attorney with whom you work.

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