

Fair Labor Standards Act

• Federal law

• Minimum Wage

• \$7.25 per hour

• Overtime

• One-and-one-half times regular rate of pay over 40 in workweek.

• Exempt/Non-Exempt Employees

• Exempt employees do not receive overtime pay (are exempt from federal overtime) where minimum salary level and duties tests are satisfied

• Non-exempt employees (hourly or salaried) must be paid overtime



California Law • Minimum Wage • The California minimum wage is currently \$10.00 per hour • Increases to \$10.50 – 1/1/2017 • Also impacts exempt employees

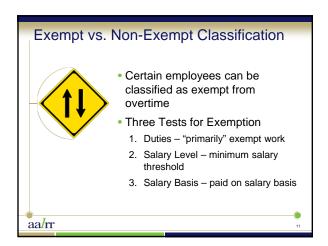
California Law Overtime Daily - over eight (8) in a workday, 40 in the workweek, and First eight (8) hours on 7th consecutive day of work in a workweek

California Law Double-time - All hours over 12 in a workday, and Over 8 on 7th consecutive day of work in the workweek Exempt/Non-Exempt Employees - Higher minimum salary level than FLSA - Duties test more narrow



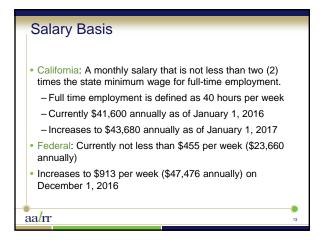












"White Collar Exemptions" California law and the FLSA provide an exemption from overtime pay for following employees: Executive Administrative Professional Outside sales employees Paid on a salary basis Meet minimum salary threshold	
overtime pay for following employees: - Executive - Administrative - Professional - Outside sales employees • Paid on a salary basis	"White Collar Exemptions"
 Administrative Professional Outside sales employees Paid on a <u>salary basis</u> 	overtime pay for following employees:
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Duties and responsibilities involve the management of the enterprise or of a customarily recognized department or subdivision; Customarily and regularly directs the work of two or more other employees; Authority to hire or fire other employees or whose suggestions and recommendations as to hiring, firing, advancement, promotion or other change of status of other employees are given particular weight; and Primarily engaged in exempt duties.

Administrative Exemption

- Duties and responsibilities involve the performance of office or non-manual work directly related to management policies or general business operations of the employer or the employer's customers;
- Exercises discretion and independent judgment with respect to "matters of significance";
- Regularly and directly assists a proprietor, or a bona fide executive or administrative exempt employee or performs under only general supervision work along specialized or technical lines requiring special training, experience or knowledge or executes under only general supervision special assignments and tasks; and
- Primarily engaged in exempt duties.

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Professional Exemption

- Licensed or certified by the State of California and is primarily engaged in the practice of one of the following:
 - Law, medicine, dentistry, optometry, architecture, engineering, teaching, or accounting
- Primarily engaged in an occupation commonly recognized as a learned or artistic profession requiring imagination, invention, or consistent exercise of discretion and judgment;
- Advanced degree acquired by prolonged intellectual instruction

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Outside Sales Employees Primary duty must be making sales, or obtaining orders or contracts for which consideration will be paid by the client or customer Employee must be customarily and regularly engaged away from employer's place of business Promotional Work – main subject of litigation Whether it is exempt depends on whether it: (1) relates to sales made, or to be made, by someone else; or (2) is incidental to and in conjunction with an employee's own outside sales

