New York's Salary Threshold for Exemption
Will Increase on December 31, 2018

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Effective December 31, 2018, New York State's salary basis threshold for exempt executive and administrative employees[1] will increase again, as a part of amendments to the minimum wage orders put in place in 2016.[2] Employers must increase the salaries of employees classified as exempt under the executive and administrative exemptions by the end of the year to maintain these exemptions.

The increases to New York's salary basis threshold for the executive and administrative exemptions will take effect as follows:

- **Employers in New York City**

    o Large employers *(11 or more employees)*

        ▪ $1,125.00 per week ($58,500 annually) on and after 12/31/18

    o Small employers (*10 or fewer employees*)

        ▪ $1,012.50 per week ($52,650 annually) on and after 12/31/18

        ▪ $1,125.00 per week ($58,500 annually) on and after 12/31/19

- **Employers in Nassau, Suffolk, and Westchester Counties**

    o $900.00 per week ($46,800 annually) on and after 12/31/18

    o $975.00 per week ($50,700 annually) on and after 12/31/19

    o $1,050.00 per week ($54,600 annually) on and after 12/31/20

    o $1,125.00 per week ($58,500 annually) on and after 12/31/21

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[1] New York law does not contain a salary threshold for employees who meet the duties requirements of the professional exemption.

[2] See Epstein Becker Green's prior *Act Now Advisory* titled "[New York State Department of Labor Implements New Salary Basis Thresholds for Exempt Employees](#)."

- **Employers Outside of New York City and Nassau, Suffolk, and Westchester Counties**

    o $832.00 per week ($43,264 annually) on and after 12/31/18

    o $885.00 per week ($46,020 annually) on and after 12/31/19

    o $937.50 per week ($48,750 annually) on and after 12/31/20

What New York Employers Should Do Now

- Review executive and administrative exempt positions in New York State with salaries below the stated thresholds to determine whether (a) the employee's salary should be increased or (b) the employee's position should be reclassified as non-exempt.

    o For executive and administrative employees remaining exempt, increase their salaries to the new threshold based on their primary work location as of the December 31, 2018, effective date.

    o For employees reclassified to non-exempt, ensure that all of their work time is accurately recorded as of December 31, 2018.

- Consider establishing procedures to track and update the weekly salaries for employees who work in different locations within New York State.

- Conduct a regular review of primary duties tests for the executive, administrative, and professional exemptions because meeting the salary threshold alone does not confer exempt status upon employees.

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