

December 12, 2012

Employers should review compensation rates for both exempt and nonexempt employees, to ensure compliance with current legal thresholds. Set forth below are rates at the federal level, and for the states and localities that exceed federal levels for the most common job categories.

The following minimum compensation rates are effective as of January 1, 2013 (except where another effective date noted):

JURISDICTION	EXEMPTION	MINIMUM COMPENSATION
FEDERAL	Nonexempt	\$7.25/hour
	Executive	\$455/week on salary basis
	Professional or Administrative	\$455/week on salary or fee basis
	Computer	\$27.63/hour
	Highly Compensated	\$100,000 total compensation (including minimum \$455 minimum weekly salary or fee)
	Licensed practicing Medical Doctor or Attorney; Teacher	None
	Business Owner (20% minimum equity and engaged in management)	None
	Outside Sales	None

In the following jurisdictions, rates higher than the federal rates prevail.

ALASKA	Nonexempt	\$7.75/hour
ARIZONA	Nonexempt	\$7.80/hour (increase from 2012)
CALIFORNIA	Nonexempt	\$8.00/hour
	San Francisco	\$10.55/hour (increase from 2012)
	San Jose	\$10.00/hour (effective approximately Feb./Mar. 2013)
	Executive, Professional or Administrative	\$2,773.33/month on salary basis
	Computer	\$39.90/hour, \$6,927.75/month or \$83,132.93/year (increase from 2012)
	Licensed Physician	\$72.70/hour (increase from 2012)
COLORADO	Nonexempt	\$7.78/hour (increase from 2012)
CONNECTICUT	Nonexempt	\$8.25/hour
FLORIDA	Nonexempt	\$7.79/hour (increase from 2012)
ILLINOIS	Nonexempt	\$8.25/hour (increase currently under consideration)
MAINE	Nonexempt	\$7.50/hour
MASSACHUSETTS	Nonexempt	\$8.00/hour
MICHIGAN	Nonexempt	\$7.40/hour

MISSOURI	Nonexempt	\$7.35/hour (increase from 2012)
MONTANA	Nonexempt	\$7.80/hour (increase from 2012)
NEVADA	Nonexempt	\$7.25/hour (if qualifying health benefits available) \$8.25/hour (all others) (increase may be announced in April 2013)
NEW JERSEY	Nonexempt	\$7.25/hour (increase to \$8.50/hour currently under consideration)
NEW MEXICO	Nonexempt	\$7.50/hour
OHIO	Nonexempt	\$7.85/hour (only for employers with gross revenue of \geq \$288,000/yr) (increase from 2012)
OREGON	Nonexempt	\$8.95/hour (increase from 2012)
RHODE ISLAND	Nonexempt	\$7.75/hour (increase from 2012)
VERMONT	Nonexempt	\$8.60/hour (increase from 2012)
WASHINGTON, DC	Nonexempt	\$8.25/hour
WASHINGTON STATE	Nonexempt	\$9.19/hour (increase from 2012)
	Outside Sales Exemption	guaranteed salary, commission, or fee

NOTES

1 Equivalent amounts if paid on salary basis: \$910 biweekly; \$985.83 semimonthly; \$1971.66 monthly; or \$23,660 annualized.

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Key Contacts

Wendy Brenner Palo Alto	brennerwj@cooley.com +1 650 843 5371
Leslie Cancel San Francisco	lcancel@cooley.com +1 415 693 2175
Joshua Mates San Francisco	jmates@cooley.com +1 415 693 2084
Michael Sheetz Boston	msheetz@cooley.com +1 617 937 2330

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