

# Cooley

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.		

<b>ALASKA</b>	Nonexempt	\$7.75/hour
<b>ARIZONA</b>	Nonexempt	\$7.80/hour (increase from 2012)
<b>CALIFORNIA</b>	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)
<b>COLORADO</b>	Nonexempt	\$7.78/hour (increase from 2012)
<b>CONNECTICUT</b>	Nonexempt	\$8.25/hour
<b>FLORIDA</b>	Nonexempt	\$7.79/hour (increase from 2012)
<b>ILLINOIS</b>	Nonexempt	\$8.25/hour (increase currently under consideration)
<b>MAINE</b>	Nonexempt	\$7.50/hour
<b>MASSACHUSETTS</b>	Nonexempt	\$8.00/hour
<b>MICHIGAN</b>	Nonexempt	\$7.40/hour

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