Cooley

December 10, 2013

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, 2014 (except where another effective date noted):

JURISDICTION	EXEMPTION	MINIMUM COMPENSATION
FEDERAL	Nonexempt	$7.25/hour
	Executive	$455[1]/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	$7.90/hour (increase from 2013)
CALIFORNIA	Nonexempt	$9.00/hour (increase from 2013, effective July 1, 2014)
	San Francisco	$10.74/hour (increase from 2013)
	San Jose	$10.15/hour (increase from 2013)
	Executive, Professional or Administrative	$3,120.00/month on salary basis (increase from 2013, effective July 1, 2014)
	Computer	$40.38/hour, $7,010.88/month or $84,130.53/year (increase from 2013)
	Licensed Physician	$73.57/hour (increase from 2013)
COLORADO	Nonexempt	$8.00/hour (currently under consideration; would be increase from 2013)
CONNECTICUT	Nonexempt	$8.70/hour (increase from 2013)
FLORIDA	Nonexempt	$7.93/hour (increase from 2013)
ILLINOIS	Nonexempt	$8.25/hour
MAINE	Nonexempt	$7.50/hour

MASSACHUSETTS	Nonexempt	$8.00/hour
MICHIGAN	Nonexempt	$7.40/hour
MISSOURI	Nonexempt	$7.50/hour (increase from 2013)
MONTANA	Nonexempt	$7.90/hour (increase from 2013)
NEVADA	Nonexempt	$7.25/hour (if qualifying health benefits available) $8.25/hour (all others) (increase may be announced in April 2014)
NEW JERSEY	Nonexempt	$8.25/hour (increase from 2013)
NEW MEXICO	Nonexempt	$7.50/hour
	Santa Fe	$10.51/hour (increase may be announced in January 2014)
	Albuquerque	$7.60/hour (if qualifying healthcare and/or childcare benefits provided) $8.60/hour (all others) (increase from 2013)
OHIO	Nonexempt	$7.95/hour (only for employers with gross revenue of $292,000/yr) (increase from 2013)
OREGON	Nonexempt	$9.10/hour (increase from 2013)
RHODE ISLAND	Nonexempt	$8.00/hour (increase from 2013)

VERMONT	Nonexempt	$8.73/hour (increase from 2013)
WASHINGTON, DC	Nonexempt	$8.25/hour
WASHINGTON STATE	Nonexempt	$9.32/hour (increase from 2013)
	SeaTac	$15.00/hour (increase from 2013, subject to pending litigation)
	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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