Cooley

December 30, 2014

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, 2015 (except where another effective date noted):

JURISDICTION	EXEMPTION	MINIMUM COMPENSATION
FEDERAL	Nonexempt	$7.25/hour $10.10/hour (federal contractors and subcontractors)
	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	$8.75/hour (increase from 2014)
ARIZONA	Nonexempt	$8.05/hour (increase from 2014)
ARKANSAS	Nonexempt	$7.50/hour (employers with 4 or more employees) (increase from 2014)
CALIFORNIA	Nonexempt	$9.00/hour
	Oakland	$12.25/hour (increase from 2014, effective March 2, 2015)
	San Francisco	$11.05/hour (increase from 2014, effective January 1, 2015) $12.25/hour (effective May 1, 2015)
	San Jose	$10.30/hour (increase from 2014)
	Executive, Professional or Administrative	$3,120.00/month on salary basis
	Computer	$41.27/hour, $7,165.12/month or $85,981.40/year (increase from 2014)
	Licensed Physician	$75.19/hour (increase from 2014)
COLORADO	Nonexempt	$8.23/hour (currently under consideration; would be increase from 2014)
CONNECTICUT	Nonexempt	$9.15/hour (increase from 2014)

DELAWARE	Nonexempt	$8.25/hour (effective June 1, 2015)
FLORIDA	Nonexempt	$8.05/hour (increase from 2014)
HAWAII	Nonexempt	$7.75/hour (increase from 2014)
ILLINOIS	Nonexempt	$8.25/hour
MAINE	Nonexempt	$7.50/hour
MARYLAND	Nonexempt	$8.00/hour (increase from 2014) $8.25/hour (effective July 1, 2015)
MASSACHUSETTS	Nonexempt	$9.00/hour (increase from 2014)
MICHIGAN	Nonexempt	$8.15/hour (increase from 2014)
MINNESOTA	Nonexempt	$8.00/hour (employers whose annual gross volume of sales made or business done is at least $500,000) $9.00/hour (employers whose annual gross volume of sales made or business done is at least $500,000; effective August 1, 2015)
MISSOURI	Nonexempt	$7.65/hour (increase from 2014)
MONTANA	Nonexempt	$8.05/hour (increase from 2014)
NEBRASKA	Nonexempt	$8.00/hour (increase from 2014)

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	$8.38/hour (increase from 2014)
NEW MEXICO	Nonexempt	$7.50/hour
	Santa Fe	$10.66/hour (increase may be announced in January 2015)
	Albuquerque	$7.75/hour (if qualifying healthcare and/or childcare benefits provided) $8.75/hour (all others) (increase from 2014)
NEW YORK	Nonexempt	$8.75/hour (increase from 2014, effective December 31, 2014) $9.00/hour (effective December 31, 2015)
OHIO	Nonexempt	$8.10/hour (employers with gross revenue of more than $297,000/yr) (increase from 2014)
OREGON	Nonexempt	$9.25/hour (increase from 2014)
RHODE ISLAND	Nonexempt	$9.00/hour (increase from 2014)
SOUTH DAKOTA	Nonexempt	$8.50/hour (increase from 2014)
VERMONT	Nonexempt	$9.15/hour (increase from 2014)

WASHINGTON, DC	Nonexempt	$10.50/hour (increase from 2014, effective July 1, 2015)
WASHINGTON STATE	Nonexempt	$9.47/hour (increase from 2014)
	Seattle	$10.00/hour (employers with fewer than 500 employees in the U.S.)[2] $11.00/hour (employers with 500 or more employees in the U.S.) (increase from 2014, effective April 1, 2015; subject to pending litigation)
	SeaTac	$15.24/hour (hospitality/transportation employees) (increase from 2014)
	Outside Sales Exemption	guaranteed salary, commission, or fee
WEST VIRGINIA	Nonexempt	$8.00/hour (increase from 2014)

NOTES

1. Equivalent amounts if paid on salary basis: $910 biweekly; $985.83 semimonthly; $1971.66 monthly; or $23,660 annualized.
2. Employers with fewer than 500 employees must also pay their employees an hourly compensation of at least $11 per hour. Employers can meet the applicable hourly minimum compensation requirement through wages (including applicable commissions, piece-rate, and bonuses), tips, and money paid by an employer toward an individual employee's medical benefits plan, provided that the employer also pays the employee a minimum wage of $10 per hour.

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