

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)
	<i>Executive</i>	\$455 ¹ /week on salary basis
	<i>Professional or Administrative</i>	\$455/week on salary or fee basis
	<i>Computer</i>	\$27.63/hour
	<i>Highly Compensated</i>	\$100,000 total compensation (including minimum \$455 minimum weekly salary or fee)
	<i>Licensed practicing Medical Doctor or Attorney; Teacher</i>	None
	<i>Business Owner (20% minimum equity and engaged in management)</i>	None
	<i>Outside Sales</i>	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
	<i>Oakland</i>	\$12.25/hour (increase from 2014, effective March 2, 2015)
	<i>San Francisco</i>	\$11.05/hour (increase from 2014, effective January 1, 2015) \$12.25/hour (effective May 1, 2015)
	<i>San Jose</i>	\$10.30/hour (increase from 2014)
	<i>Executive, Professional or Administrative</i>	\$3,120.00/month on salary basis
	<i>Computer</i>	\$41.27/hour, \$7,165.12/month or \$85,981.40/year (increase from 2014)
	<i>Licensed Physician</i>	\$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
	<i>Santa Fe</i>	\$10.66/hour (increase may be announced in January 2015)

	<i>Albuquerque</i>	\$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)
	<i>Seattle</i>	\$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)
	<i>SeaTac</i>	\$15.24/hour (hospitality/transportation employees) (increase from 2014)
	<i>Outside Sales Exemption</i>	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.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our [AI Principles](#), may be considered Attorney Advertising and is subject to our [legal notices](#).

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

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.