



## **CALIFORNIA RAISES MINIMUM PAY REQUIREMENTS FOR EXEMPT COMPUTER SOFTWARE PROFESSIONALS**

Effective January 1, 2012, California has raised the minimum salary requirement for exempt computer software professionals from \$79,050 to \$81,026.25 per year (from \$6,587.50 to \$6,752.19 per month). By contrast, the salary requirement for the general “white collar” overtime exemptions (i.e., administrative, executive, and professional) remains at two times the minimum wage for full-time employment, which equates to \$33,280 per year or \$2,773.34 per month. California’s computer software professional exemption is one of the few overtime exemptions that also permits exempt status with pay on an hourly basis. Also effective January 1, 2012, California raised the minimum hourly rate for exempt computer software professionals from \$37.94 to \$38.89.

Importantly, employers must satisfy not only the pay requirements, but also strict tests regarding the employee’s duties in order to classify employees as exempt computer software professionals. For example, regardless of pay level, the exemption does not apply to entry-level software industry positions, or to an employee who has “not attained the level of skill and expertise necessary to work independently and without close supervision.” Particularly in light of the strict nature of these requirements, and the frequency with which government agencies and private plaintiffs’ attorneys challenge exempt status classifications, we recommend that employers review their exempt classifications for compliance with current standards with guidance from employment law counsel.



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