

FLSA EXEMPTION FLOW CHART EFFECTIVE JULY 1, 2024 *

EXECUTIVE EXEMPTION

Manages the enterprise or a recognized department or division

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Customarily and regularly directs the work of 2 or more employees or their equivalent

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Has the authority to hire or fire other employees (or make recommendations as to hiring, firing, promoting or initiating other change of status that are given significant weight)

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Does the employee earn at least \$844.00 per week *

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position May Be Classified As Exempt IF...**

Employee qualifying for Exemption performs minimal routine work.

ADMINISTRATIVE EXEMPTION

Performs office or non-manual work directly related to management policies or general business operations of employer or customers

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Exercises discretion and independent judgment with respect to matters of significance within the Organization

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Does the employee earn at least \$844.00 per week *

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position May Be Classified As Exempt IF...**

Employee qualifying for Exemption performs minimal routine work. This exemption typically applies to staff positions associated with finance, legal, human resources, marketing, information technology, compliance or some other high-level administrative function.

LEARNED PROFESSIONAL

Performs work requiring advanced knowledge (obtained through a prolonged course of specialized intellectual instruction) with work being predominantly intellectual in nature

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Exercises discretion and independent judgment with respect to matters of significance within the Organization

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Advanced knowledge is within a field of science or learning

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Does the employee earn at least \$844.00 per week *

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position May Be Classified As Exempt IF...**

Employee qualifying for Exemption performs minimal routine work. This exemption typically requires a specific educational degree in order to perform the job. Usual fields of study would include law, medicine, engineering, accounting and teaching. Fields that DO NOT apply would include mechanical arts or skilled trades.

OUTSIDE SALES EXEMPTION

Makes sales or obtains orders/contracts for services for the use of facilities for which payment or consideration will be given by the client or customer in exchange for the promise provided

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Employee is customarily and regularly engaged in activities AWAY FROM the employer's regular place of business

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

There are no weekly earnings limits to true outside sales professionals but the exemption does not apply to inside sales work or anyone only partially involved in the performance of independent outside sales activities

CREATIVE PROFESSIONAL

Performs work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position Could Be Exempt**

Does the employee earn at least \$844.00 per week *

NO...Position is Non-Exempt IF NO, POSITION IS NOT EXEMPT IF YES...MOVE DOWN TO NEXT TEST **YES...Position May Be Classified As Exempt IF...**

Employee qualifying for Exemption performs minimal routine work. Generally recognized fields of artistic or creative endeavor include positions within music, writing and acting.

Practical Guidelines and Summary of FLSA Regulations compiled by:



...intended to act as a practical guide to the new FLSA Standard, NOT as a legal interpretation to clarify all the inherent complexities of the Law. Any questions about the specific application of this revised standard not explained by this summary spreadsheet should be directed to a Labor Law Professional.

NOTE: 10% of the earnings minimum can come from non-discretionary bonus programs or other "guaranteed" monies delivered at least annually.

In order for ANY of these exemptions to apply, the employee must be paid ON A SALARY BASIS. This means that the employee is paid to do a job, not by the hour. In most instances this means that an employee must be paid a full week's salary for any week during which work was performed (even if for a short period of time on only one day). Exceptions would include disciplinary suspensions (of at least a day in length), absences due to non-health related personal reasons, absences incurred after all specified sick time from a bona fide sick time program has been utilized and work performed during a shortened first or last week of employment.