

This fact sheet has two examples of employees who would likely meet or not meet the administrative Minimum Wage Act exemption requirements. These examples are provided for illustrative purposes only. If other information is presented throughout the course of an investigation, an employee's exemption status determination could change.

Administrative exemption

Example 1

Pam makes \$5,250 a month as an administrative assistant for a local newspaper publishing company with 51 employees. Her job entails scheduling important meetings, ordering office supplies, and managing the very busy calendar for the company president, Jim. Pam also attends editorial board meetings to take minutes. Jim has also often told her to respond to some of his emails on his behalf. Just last week she responded to more than 20 emails from a lady claiming that aliens have invaded her home once again. Jim told her that he would leave this "high-profile" story for her to handle.

She is pretty sure that Jim is just trying to take advantage of her and get out of paying her sick leave by claiming that she is exempt. Jim claims that she does office and administrative work that is pertinent to the company and she has the right to make decisions like responding to emails on his behalf (such as "Alien Lady") therefore, she meets the exemption.

After talking to friends and family, Pam decides to file a complaint with L&I for misclassification from April-December 2024.

Case analysis

1. Is the employee's primary duty the performance of office or nonmanual work directly related to the management or general business operations of the employer or the employer's customers?

No. Although Pam does contribute to the business' day-to-day operations, her primary duty does not include administrative work directly related to management policies or general business operations, such as performing work directly related to assisting with the running or servicing of the business. Her duties are more routine and clerical in nature.

2. Does the employee's primary duty include the exercise of discretion and independent judgement with respect to matters of significance?

No. Pam's boss directs her to send low priority emails on his behalf that do not appear to be significant in nature. Although her boss lets her use her discretion to respond to such emails, these matters do not have a high-level of importance to management or general business operations of the employer or of the employer's customers.

3. Is the employee paid on a salary or fee basis equal to or greater than the required salary threshold?

Yes. Pam is paid a monthly salary of \$5,250. Since the employer has more than 50 employees, the projected state salary threshold is \$1,137 per week in 2024. Pam has a calculated weekly salary of \$1,211.54, which is more than the projected required salary threshold.

Probable finding

Based on the information above, Pam does not likely meet the requirements to be classified as an exempt administrative employee. She meets the salary threshold, but likely fails the duty test. If other information is presented throughout the course of an investigation, an employee's exemption status determination could change.

Administrative exemption (academic)

Example 2

Mary Lou is the student counselor at St. Bernard Middle School. As a counselor, she frequently investigates students' academic portfolios, assists students with academic problems, and meets with students to resolve other issues.

She has also been recently asked to join a committee to develop a new school uniform policy. There are 20 members on the committee out of the 91 school employees and they have been putting in extra hours into the evening to establish a policy. Mary Lou believes she should be paid for the overtime hours since this is just a temporary project she is working on away from her job.

The school's superintendent explained to her that she is exempt as an administrator since she plays a big part in authorizing and changing the school's policies, and provides important advice to the school. She also told her that she makes above the salary threshold of \$58,656 annually in 2023.

Mary Lou submits her complaint to L&I anyway because she believes that although she is on the committee to give her input, the superintendent is the only one with the authority to implement this policy. Her complaint is for February-April 2023.

Case analysis

1. Is the employee's primary duty administrative work related to academic instruction or training in an educational establishment?

Yes. Mary Lou's primary duty as a student counselor involves administrative work directly related to academic instruction or training in an educational establishment.

2. Is the employee paid on a salary or fee basis equal to or greater than the required salary threshold, or is the employee paid at least the entrance salary for teachers in the educational establishment where the employee works?

Yes. Mary Lou is paid a yearly salary of \$58,656. Since the employer has more than 50 employees, the projected state salary threshold is \$1,128 per week in 2023. Mary Lou has a calculated weekly salary of \$1,128 per week, which meets the projected required salary threshold.

Probable finding

Based on the information above, Mary Lou likely meets the requirements to be classified as an exempt academic administrative employee. If other information is presented throughout the course of an investigation, an employee's exemption status determination could change.