

## If an employee is paid a salary are they automatically exempt from overtime and other Minimum Wage Act protections?

No. A salary is a form of payment and does not determine exemption status. Exempt and nonexempt employees can both be paid on a salary basis.

### Definition of a salary

A salary is a method of paying an employee where the employee regularly receives a fixed, pre-determined amount of money (the salary) for every pay period (which may be one week or longer, up to one month). You can find a more detailed definition in [L&I's Administrative Policy ES.A.9.1](#).

### Classifying employees as exempt or nonexempt

Employees can be classified as exempt from the protections of the Minimum Wage Act if they meet the requirements in one of the exemption categories outlined in the law. Most exemption categories require exempt employees to be paid on a salary basis. Employees who meet the requirements for exemption, are paid on a salary basis, and the salary meets or exceeds the salary threshold are considered salaried exempt.

Employees who do not meet the requirements to be classified as exempt from the Minimum Wage Act are considered nonexempt. Nonexempt employees may be paid on a salary, hourly or other basis. Employees who do not qualify for an exemption but are paid on a salary basis are considered salaried nonexempt.

### Salaried exempt employees

Employees generally must meet a salary basis, salary level, and duties test to be exempted from the Minimum Wage Act as an executive, administrative or professional employee under [RCW 49.46.010\(3\)\(c\)](#).

An exempt employee's salary cannot be subject to deductions because of variations in the quantity or quality of the work performed. Unauthorized reductions in a salary destroy the salary basis requirement, which means the affected employee does not meet the requirements to be exempt from the Minimum Wage Act.

Salaried exempt employees are exempt from all Minimum Wage Act protections including overtime and paid sick leave.

### Salaried nonexempt employees

Employers must provide all nonexempt employees with the protections outlined in the Minimum Wage Act.

There are no salary or other pay-basis requirements in order for nonexempt employees to receive Minimum Wage Act protections. Therefore, reductions in a nonexempt employee's salary may be permissible under certain, appropriate circumstances.

## Learn more

### L&I overtime rule change

**webpage:** You can learn more about the changes in the state's overtime rules at [Lni.wa.gov/OvertimeRulemaking](http://Lni.wa.gov/OvertimeRulemaking)

**Online course:** Employment Standards has created [an online course](#) that

features a section that explains the details of the changes

in the overtime rules, as well as a section that can help an employer determine if an employee should be classified as exempt or nonexempt.

**Common questions:** The Employment Standards outreach team has developed [answers to common questions](#) related to the rule changes.

**Additional tools:** On the [Resource Center web page](#), you can find fact sheets, charts, case studies and technical documents related to the updates in the rules.



## For more info

You can call Employment Standards at 360-902-5316 or toll free 1-886-219-7321.

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