



HR-Alert: Understanding New York’s Exempt Salary Thresholds

New York recently announced two updates to their salary thresholds for exempt employees which can be challenging to decipher. Without explicitly stating it, New York essentially separated “exempt” status into two different categories: 1) exempt from minimum wage and overtime requirements; and 2) exempt from frequency of pay and method of pay requirements, each with its own increased salary threshold.

Minimum Wage and Overtime Exemption

Effective January 1, 2024, New York’s Department of Labor (NYDOL) increased the salary thresholds for Executive and Administrative* employees to remain exempt from minimum wage and overtime requirements, as follows:

NYC, Nassau, Suffolk, and Westchester (Downstate)	\$1,200/week (\$62,400/year)
Remainder of State (Upstate)	\$1,124.20/week (\$58,458.40/year)

*New York does not currently have an exempt salary threshold for Professional positions; therefore, employees meeting the professional duties requirements need only be compensated at the current federal FLSA threshold (\$684/week or \$35,568/year).

Frequency and Method of Pay Exemption

Subsequent to NYDOL’s increased exempt salary thresholds, Governor Hochul signed an amendment to Article 6 of New York’s Labor Law which, effective March 13, 2024, raises the salary threshold to \$1,300/week or \$67,600/year. This threshold is statewide and allows employees to remain exempt from the following requirements:

- **Labor Law § 191:** Frequency of Pay (Requiring weekly pay for most “manual workers,” bi-weekly or semi-monthly pay for “clerical and other workers,” and monthly pay for “commission salespersons”)
- **Labor Law §192:** Cash Payment of Wages (Requiring employee consent for direct deposit)
- **Labor Law §198-c:** Benefits and Wage Supplements (Requiring strict compliance with employer policies on expense reimbursement, employee benefits, vacation, severance, and holiday pay)
- **12 NYCRR Part 192:** Methods of Payment of Wages (Limits the forms of permissible payments to cash, check, direct deposit, and payroll card, and sets forth requirements associated with each)

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Summary

Based on these updates, employers who wish for their exempt employees to remain fully exempt under New York's new law will need to compensate them at least \$1,300/week or \$67,600/year. Employers may compensate exempt employees at the lower salary threshold in accordance with the employee's location however, they must ensure compliance with New York's pay frequency and method of pay requirements. Employers will need to closely monitor any changes they consider making and/or the state makes to pay frequency and method of pay requirements.

Employer Next Steps

- Review current Executive and Administrative exempt employees working in New York to ensure they meet the duties requirements for those exemptions.
- Once confirmed, review their salary to ensure they are receiving the appropriate salary threshold and adjust accordingly.

If you have any questions regarding this HR-Alert, please [email us](#).