



Administrative exemption checklist

Effective January 1, 2020

In order to prove that an employee qualifies for an administrative exemption under the FLSA, you must be able to check off *all* the following items:

- The employee is compensated on a salary basis or a fee basis at a rate of not less than \$684 per week (29 CFR 541.200; 29 CFR 541.602).
(Employers may use nondiscretionary bonuses and incentive payments, including commissions, that are paid annually or more frequently to satisfy up to 10 percent of the standard salary level. If an employee does not earn enough in nondiscretionary bonus or incentive payments in a given year to retain his or her exempt status, an employer may make a catch-up payment within one pay period of the end of the 52-week period. This payment may be up to 10 percent of the total standard salary level for the preceding 52-week period.)
- The employee performs work directly related to assisting with the running or servicing of the business, as distinguished from working on a manufacturing production line or selling a product in a retail or service establishment.
- The employee's primary duty is the performance of office or nonmanual work directly related to the management or general business operations of the employer or the employer's customers (29 USC 213; 29 CFR 541.200). This work includes, but is not limited to, work in functional areas such as:
 - Accounting
 - Advertising
 - Auditing
 - Budgeting
 - Computer network, Internet, and database administration
 - Employee benefits
 - Finance
 - Government relations
 - Human resources
 - Insurance
 - Labor relations
 - Legal and regulatory compliance
 - Marketing
 - Personnel management
 - Procurement
 - Public relations
 - Purchasing
 - Quality control
 - Research
 - Safety and health
 - Tax



- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance (29 CFR 541.200; 29 CFR 541.202). Examples of such actions include, but are not limited to:
- Formulating, interpreting, or implementing management policies
 - Providing consultation or expert advice to management
 - Making or recommending decisions that have a significant impact on general business operations or finances
 - Committing the employer in matters that have significant financial impact
 - Having authority to waive or deviate from established policies and procedures without prior approval
 - Analyzing and recommending changes to operating practices
 - Planning long- or short-term business objectives
 - Analyzing data, drawing conclusions, and recommending changes
 - Handling complaints, arbitrating disputes, or resolving grievances
 - Having authority to negotiate and bind the company during important contract negotiations
 - Performing work of similar impact on general business operations or finances