To qualify for exemption, employees must generally meet tests regarding salary level, salary basis, and job duties.

**Primary Duties Test**
Explanation here.....
1. Relative importance of the exempt duties compared to other types of duties
2. Amount of time spent performing exempt work
3. Employee's relative freedom from direct supervision
4. Relationship between the employee's salary and wages paid to others for same kind of work

**Salary Level**
An employee must be paid at least $455 per week on a salary or fee basis. Computer employees may be exempt if they earn $27.63 or more per hour and pass the duties test. This does not apply to doctors, lawyers, or certain computer-related occupations.

**Salary Basis**
An employee must receive a predetermined amount of compensation each pay period with no reductions due to variations in quality or quantity of work performed. The employee must be paid full salary for any week in which any work is performed; need not be paid for any week when no work is performed. Some employees may be paid on a fee basis if it's an agreed sum for completing a single job, but not for a series of non-unique jobs.

**Who is Exempt?**

**Professional Employees**
Primary duty: performance of work requiring knowledge of advanced type in a field of science of learning customarily acquired by a prolonged course of study; or requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor
- Occupations with recognized professional status include: law, theology, medicine, accounting, teaching, architecture, engineering, actuarial computation, physical sciences, chemical sciences, biological sciences
- Also exempt are those who hold a valid license permitting practice of medicine or are engaged in an internship or resident program

**Computer Employees**
The primary duty of an exempt computer employee must consist of:
- Application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications
- Design, development, documentation, analysis, creation, testing, or modification of computer systems or programs
- Design, documentation, testing, creation or modification of computer programs related to machine operating systems. Computer employees must pass the duties test even if they make the threshold amount.

**Executive Employees**
Primary duty: management of the enterprise or recognized department or subdivision. They regularly direct the work of at least two or more employees (must be two full-time employees or equivalent) and have authority to hire and fire OR gives recommendations for the hiring, firing, and advancement of employees

**Administrative Employees**
Primary duty: office or non-manual work directly relating to management policies or general business operations of the employer or employer's customers. This must also include the exercise of discretion and independent judgment with respect to matters of significance. The employer must still weigh and analyze whether the employee is exercising skill and experience.

**Calculating Overtime**
Overtime must be paid for each hour worked in excess of 40 hours in a week.
- Overtime distribution is usually detailed in a union contract or specifically defined by work practice. A properly kept roster will prevent unfair distribution
- If an employee is salary non-exempt and works less than 40 hours a week, they must be paid only for the hours worked; if they work over 40 hours in a week, they must be paid 1 1/2 times the hourly rate
- Federal law does not require payment of overtime for hours worked over 8 in a day, just hours worked over 40 in a week
- Lunch breaks (if not counted as hours worked) are not counted towards overtime
- Travel time must be counted as overtime if: it is spent traveling from one worksite to another, the employee is fulfilling employer requirements, or the employee has gone home from the day's work and is called to travel a substantial distance

**Deductions From Pay**
Deductions may not be made for time when work is not available. Partial day increments for non-exempt employees is acceptable. Not paid on salary basis if deductions are made for absences by employer or operations of the business.

**Acceptable Deductions**
- Absence from work for one or more full days (personal reasons)
- Offset any amounts received as payment for jury fees, military pay
- Penalties imposed in good faith for infractions of safety rules
- Unpaid disciplinary suspension
- Proportionate part for first or last week of employment
- Unpaid leave taken pursuant of FMLA

**Improper Deductions**
- Partial day absence for parent teacher conference
- Deducting one day pay for employer being closed (due to weather)
- Deducting three days pay for jury duty rather than offsetting any amount received as payment