CSO FAIR LABOR STANDARDS ACT (FLSA)
EMPLOYEE CLASSIFICATION GUIDELINES

Each employee must be classified as either an exempt or a non-exempt employee.

Exempt refers to a position being exempt from the overtime provisions of the FLSA. These positions are paid on a salary basis to perform job functions. Exempt employees get no extra pay for extra hours and you may not "dock" pay for less than a full day's absence – you may require use of paid leave such as sick or vacation days. There are three tests to use when determining if someone is an exempt employee: executive, administrative, and professional. The employee must meet ALL of the criteria of at least one of three tests.

Non-exempt refers to any position that does not meet all of the criteria of at least one of the three tests. Non-exempt employees are paid on an hourly basis for every hour worked. In addition, federal law (FLSA) mandates that hours worked over 40 in a week must be paid at an hourly rate no less than one and one-half times the regular pay rate

Executive Test
- Primary duties are managing the enterprise/department or subdivision
- Customarily directs the work of 2 or more other employees
- Has the authority to hire/fire or recommendations carry significant weight in the decision process
- Earns at least *$455/week on a salary basis

Administrative Test
- Primary duties are performing office or non-manual work directly related to the management or general business operations of the employer
- Exercises discretion and independent judgment with respect to matters of significance
- Earns at least *$455/week on a salary basis

Professional Test
- Primary duties are performing work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction
- Requires advanced knowledge obtained by completing an academic course of study resulting in a 4 year college degree or leading to certification
- Earns at least *$455/week on a salary basis