

PUBLICATION

Mandatory Salary Increases Now in Effect for New York – What to do Now

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Employers in New York must scramble to assess the impact of the new substantial salary level increases that take effect on December 31, 2016. Below is a summary of the new salary levels for exempt administrative and executive employees. The levels are determined by size of employer and where the employer is located in New York. So, for the first time, the salary level required to be exempt from overtime will be different in different parts of the State.

New York employers must quickly assess whether the currently salaries of their exempt administrative and executive employees fall at or above the new threshold. If they fall below the threshold, employers must decide whether to raise salaries in order to meet the threshold or instead reclassify employees as non-exempt. Employers must also continue to review the exempt status of administrative and executive exempt employees because the salary thresholds will rise on an annual basis.

Small Employers in New York City (10 or fewer employees)

\$787.50 / week (\$40,950 / year) – Effective 12/31/16

\$900.00 / week (\$46,800 / year) – Effective 12/31/17

\$1,012.50 / week (\$52,650 / year) – Effective 12/31/18

\$1,125.00 / week (\$58,500 / year) – Effective 12/31/19

Large Employers in New York City (11 or more employees)

\$825.00 / week (\$42,900 / year) – Effective 12/31/16

\$975.00 / week (\$50,700 / year) – Effective 12/31/17

\$1,125.00 / week (\$58,500 / year) – Effective 12/31/18

Employers in Westchester, Nassau, and Suffolk Counties

\$750.00 / week (\$39,000 / year) – Effective 12/31/16

\$825.00 / week (\$42,900 / year) – Effective 12/31/17

\$900.00 / week (\$46,800 / year) – Effective 12/31/18

\$975.00 / week (\$50,700 / year) – Effective 12/31/19

\$1,050.00 / week (\$54,600 / year) – Effective 12/31/20

\$1,125.00 / week (\$58,500 / year) – Effective 12/31/21

Employers Outside of New York City, Westchester, Nassau and Suffolk Counties

\$727.50 / week (\$37,830 / year) – Effective 12/31/16

\$780.00 / week (\$40,560 / year) – Effective 12/31/17

\$832.00 / week (\$43,264 / year) – Effective 12/31/18

\$885.00 / week (\$46,020 / year) – Effective 12/31/19

\$937.50 / week (\$48,750 / year) – Effective 12/31/20

This is a trend that may be here to stay in 2017 and beyond – while the federal agencies may take a more relaxed stance under president-elect Trump's incoming administration, the state and local governments will no doubt pick up the slack. Stay tuned for an exciting 2017!

