*Exempt vs. Non-exempt*

*More information on what qualifies as an exempt position*

## Executive Exemption

The executive exemption has four requirements, one of which is that the employee’s primary duty is managing the enterprise or a customarily recognized department or subdivision of the enterprise. “Management” includes, but is not limited to, the following duties:

* Interviewing, selecting, and training employees;
* Setting and adjusting employees’ rates of pay and hours of work;
* Directing the work of employees;
* Maintaining production or sales records for use in supervision or control;
* Appraising employees’ productivity and efficiency for the purpose of recommending promotions or other changes in status;
* Handling employee complaints and grievances;
* Disciplining employees;
* Planning the work;
* Determining the techniques to be used;
* Apportioning the work among employees;
* Determining the type of materials, supplies, machinery, equipment, or tools to be used or merchandise to be bought, stocked, and sold;
* Controlling the flow and distribution of materials or merchandise and supplies;
* Providing for the safety and security of employees or the property;
* Planning and controlling the budget; and
* Monitoring or implementing legal compliance measures.

## Administrative Exemption

The administrative exemption has three requirements, a wage floor (set by state law); primary duties that are administrative in nature; and primary duties that require “exercise of discretion and independent judgment with respect to matters of significance.” If the role meets the first two criteria consider the following questions to determine if the position also meets the third criteria:

* Whether the employee has the authority to formulate, affect, interpret, or implement management policies or operating practices;
* Whether the employee carries out major assignments in conducting the operations of the business;
* Whether the employee performs work that affects business operations to a substantial degree, even if her assignments are related to the operation of a particular segment of the business;
* Whether the employee has the authority to commit the employer in matters that have significant financial impact;
* Whether the employee has the authority to waive or deviate from established policies and procedures without prior approval;
* Whether the employee has the authority to negotiate and bind the employer on significant matters;
* Whether the employee provides consultation or expert advice to management;
* Whether the employee is involved in planning longor short-term business objectives;
* Whether the employee investigates and resolves matters of significance on behalf of management; and
* Whether the employee represents the employer in handling complaints, arbitrating disputes, or resolving grievance