

# Non-exempt Exempt Employees

## Quick Reference

### 01 Classification Criteria



**Non-exempt Employees** are protected by the Fair Labor Standards Act (FLSA), which includes overtime and minimum wage provisions.

**Exempt Employees** are excluded from FLSA overtime regulations due to their job duties and compensation levels.

### 02 Overtime Pay



**Non-exempt Employees** must receive overtime pay at 1.5 times their regular rate for hours worked over 40 in a workweek.

**Exempt Employees** are not entitled to overtime pay regardless of the number of hours worked.

### 03 Salary Threshold



**Non-exempt Employees** are generally paid hourly and must earn at least the federal or state minimum wage.

**Exempt Employees** must be paid a minimum salary as set by FLSA guidelines to qualify for their exempt status.

### 04 Job Duties Test



**Non-exempt Employees** may perform varied tasks without specific duties affecting their status.

**Exempt Employees** must perform duties that are executive, administrative, professional, or outside sales-related to qualify for the exemption.

### 05 Work Schedule Flexibility



**Non-exempt Employees** have less flexibility in their work schedules due to strict time tracking and overtime regulations.

**Exempt Employees** often have more flexibility as their pay is typically not tied to the number of hours worked.

### 06 Timekeeping Requirements



**Non-exempt Employees** must have their hours meticulously tracked to ensure proper wage calculation.

**Exempt Employees** generally do not have to track their work hours for pay purposes.

### 07 Benefits and Perks



**Both** Non-exempt and Exempt Employees may be offered benefits like health insurance, retirement plans, and paid time off, although these are not governed by the FLSA.

### 08 Advancement Opportunities



**Non-exempt Employees** may have opportunities to become exempt by advancing into roles with qualifying duties and compensation.

**Exempt Employees** are often already in professional or managerial roles that offer different advancement paths.

### 09 Legal Protections



**Both classifications are protected** under employment discrimination laws; however, only non-exempt employees are protected by minimum wage and overtime laws.

### 10 State and Federal Laws



**Some states have their own** laws that can affect exemption status or provide additional protections to non-exempt employees. Always check local regulations in addition to federal law.

Remember, the distinction between non-exempt and exempt employees is crucial for compliance with labor laws, accurate payroll processing, and ensuring fair work conditions. Always consult with human resources or legal professionals to accurately classify employees.