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# California Workplace Law Blog

Insight & Commentary on California Workplace Law Issues & Developments

## Computer Software Employees and Physicians Overtime Exemption Rates for 2023

By Sayaka Karitani on November 14, 2022

In order for an employee to be deemed exempt from overtime regulations under California law, the employee must fit into a category of work that is deemed exempt. The most common exemption is the executive, administrative, and professional exemption, which includes workers who are employed in administrative, managerial, executive, or professional capacities. There are also detailed requirements as to the amount of work performed in certain areas and most employees must also meet a minimum salary threshold, which for most of the exempt categories, is no less than two times the state minimum wage for full-time employment (40 hours).

However, for certain exempt categories, the Department of Industrial Relations (DIR) sets the minimum monthly salary based on increases to the California Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI). Under Labor Code section 515.5, certain computer software employees are one of the professions that must be paid a statutorily specified rate in order to be deemed exempt from overtime regulations.

Effective January 1, 2023, the minimum hourly rate for computer software employees to meet the exemption will be \$53.80, with a minimum monthly salary of \$9,338.78 (annually \$112,065.20). The current rates are \$50.00 per hour, \$8,679.16 minimum monthly salary, and \$104,149.81 annually.

Similarly, under Labor Code section 515.6, certain licensed physicians and surgeons must be paid a statutorily specified rate to be deemed exempt from overtime regulations. Effective January 1, 2023, the minimum hourly rate for licensed physicians and surgeons to meet the

exemption will be \$97.99. The current hourly rate is \$91.07

If you have questions about overtime exemption requirements or related issues, contact a Jackson Lewis attorney to discuss.

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