*Note: The Department of Labor revised the regulations located at 29 C.F.R. part 541 with an effective date of January 1, 2020. The 2004 part 541 regulations will remain in effect through December 31, 2019, including the \$455 per week standard salary level and \$100,000 annual compensation level for Highly Compensated Employees. The final rule is available at: https://www.federalregister.gov/documents/2019/09/27/2019-20353/defining-and-delimiting-the-exemptions-for-executive-administrative-professional-outside-sales-and.

U.S. Department of Labor Wage and Hour Division



Fact Sheet #17E: Exemption for Employees in Computer-Related Occupations Under the Fair Labor Standards Act (FLSA)

This fact sheet provides information on the exemption from minimum wage and overtime pay for employees in computer-related occupations provided by Sections 13(a)(1) and 13(a)(17) of the <u>FLSA</u> as defined under 29 C.F.R § 541.400.

The FLSA requires that most employees in the United States be paid at least the <u>federal minimum</u> <u>wage</u> for all hours worked and <u>overtime pay</u> at not less than time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek.

However, Section 13(a)(1) and Section 13(a)(17) of the FLSA provide an exemption from both minimum wage and overtime pay for computer systems analysts, computer programmers, software engineers, and other similarly skilled workers in the computer field who meet certain tests regarding their job duties and who are paid at least \$684* per week on a salary basis or paid on an hourly basis, at a rate not less than \$27.63 an hour.

Job titles do not determine exempt status. In order for this exemption to apply, an employee's specific job duties and compensation must meet all the requirements of the Department's regulations. The specific requirements for the computer employee exemption are summarized below.

See other fact sheets in this series for more information on the exemptions for <u>executive</u>, <u>administrative</u>, <u>professional</u>, and <u>outside sales</u> employees, and for more information on the <u>salary basis</u> requirement.

Computer Employee Exemption

To qualify for the computer employee exemption, the following tests must be met:

- The employee must be compensated either on a salary or fee basis at a rate not less than \$684* per week or, if compensated on an hourly basis, at a rate not less than \$27.63 an hour;
- The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below;
- The employee's primary duty must consist of:
 - 1. The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

- 2. The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
- 3. The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
- 4. A combination of the aforementioned duties, the performance of which requires the same level of skills.

The computer employee exemption does not include employees engaged in the manufacture or repair of computer hardware and related equipment. Employees whose work is highly dependent upon, or facilitated by, the use of computers and computer software programs (e.g., engineers, drafters and others skilled in computer-aided design software), but who are not primarily engaged in computer systems analysis and programming or other similarly skilled computer-related occupations identified in the primary duties test described above, are also not exempt under the computer employee exemption.

Primary Duty

"Primary duty" means the principal, main, major or most important duty that the employee performs. Determination of an employee's primary duty must be based on all the facts in a particular case, with the major emphasis on the character of the employee's job as a whole.

Where to Obtain Additional Information

For additional information, visit our Wage and Hour Division Website: http://www.wagehour.dol.gov and/or call our toll-free information and helpline, available 8 a.m. to 5 p.m. in your time zone, 1-866-4USWAGE (1-866-487-9243).

When state law differs from the federal FLSA, an employer must comply with the standard most protective to employees. Links to your state labor department can be found at www.dol.gov/contacts/state_of.htm.

This publication is for general information and is not to be considered in the same light as official statements of position contained in the regulations.

U.S. Department of Labor Frances Perkins Building 200 Constitution Avenue, NW Washington, DC 20210 1-866-4-USWAGE TTY: 1-866-487-9243 Contact Us