



Salary Level Test

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

The University of Tennessee
Municipal Technical Advisory Service
1610 University Avenue
Knoxville, TN 37921-6741
865-974-0411 phone
865-974-0423 fax
www.mtas.tennessee.edu

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To qualify as an exempt executive, administrative or professional employee, an employee must be compensated on a salary basis at a rate of not less than \$684 per week, exclusive of board, lodging or other facilities. The requirement will be met if the employee is compensated biweekly on a salary basis of \$1,368, semimonthly on a salary basis of \$1,482, monthly on a salary basis of \$2,964 or annually on a salary basis of \$35,568. The shortest period of payment that will meet this compensation requirement is one week. In the case of computer employees the compensation requirement also may be met by providing compensation on an hourly basis at a rate not less than \$27.63 an hour or annually on a salary basis of \$57,470.40. (29 C.F.R. § 541.400)

In the case of professional employees, an exception to the salary basis requirement is in effect. It applies to certain professionals. "Among those excluded are teachers (29 C.F.R. § 541.303(d)); employees who hold a valid license or certificate permitting the practice of law or medicine or any of their branches and are actually engaged in the practice; or to employees who hold the requisite academic degree for the general practice of medicine and are engaged in an internship or resident program.

An employee with total annual compensation of at least \$107,432 is deemed exempt if the employee customarily and regularly performs any one or more of the exempt duties or responsibilities of an executive, administrative or professional employee. A high level of compensation is a strong indicator of an employee's exempt status, thus eliminating the need for a detailed analysis of the employee's duties. This exemption applies only to employees whose primary duty includes performing office or non-manual work. (29 C.F.R. § 541.601)

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