



Exempt White-Collar Employees

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,

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The Executive, Administrative, Professional and Computer Employees Exemptions

In addition to certain elected, appointed, and volunteer employees not being covered by the FLSA, other employees are exempt from the minimum wage and overtime provisions of the act. Like non-covered workers, exempt employees are covered by the Equal Pay Act provisions, but unlike non-covered employees they are still covered by FLSA record keeping requirements.

The exemptions we are concerned with relate to executive, administrative, professional and computer employees, and are otherwise known as the “white collar or Executive, Administrative and Professional (EAP) exemptions.” The exemptions are based on the specific job description and duties of the employee involved.

29 C.F.R. § 541.0 of the Fair Labor Standards Act provides “an exemption from the act’s minimum wage and overtime requirements for any employee employed in a bona fide executive, administrative, or professional capacity.” 29 C.F.R. § 541.400 provides “a possible exemption from the minimum wage and overtime requirements for computer system analysts, computer programmers, software engineers, and other similarly skilled computer employees.”

The rules provide three standards to be met for the exemption to apply:

- The employee must be paid a pre-determined and fixed salary that is not subject to reductions because of variations in the quality or quantity of work performed (the “salary basis test” as defined in 29 C.F.R. § 541.602)
- The amount of salary paid must meet minimum specified amounts (the “salary level test” as determined in 29 C.F.R. § 541.600)
- The employee’s job duties must primarily involve executive, administrative or professional duties (the “duties tests”) as determined in 29 C.F.R. § 541.700

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