

Highly Compensated Administrative

Dear Reader:

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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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Reference Number:
MTAS-933

Employees who meet the four criteria below are bona fide highly compensated administrative employees under DOL's revised exemption regulations.

- Is the employee's total annual compensation at least \$107,432.
- Is the employee paid not less than \$684 per week exclusive of board, lodging or other facilities?
- Is the employee paid on a salary basis? With certain limited exception, he/she must:
 - Experience no reduction in salary for variations in the quality and quantity of work;
 - Experience no deduction for partial-day absences;
 - Receives each pay period a pre-determined amount constituting all or part of his/her compensation; or
 - Pay deductions are based on the principle of public accountability. 29 C.F.R. § 541.710.
- Does the employee regularly and customarily perform one or more exempt administrative duties involving office or non-manual work either:
 - Directly related to management or general business operations of the employer or the employer's customers; or
 - That includes the exercise of discretion and independent judgment. 29 C.F.R. § 541.601(d).

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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