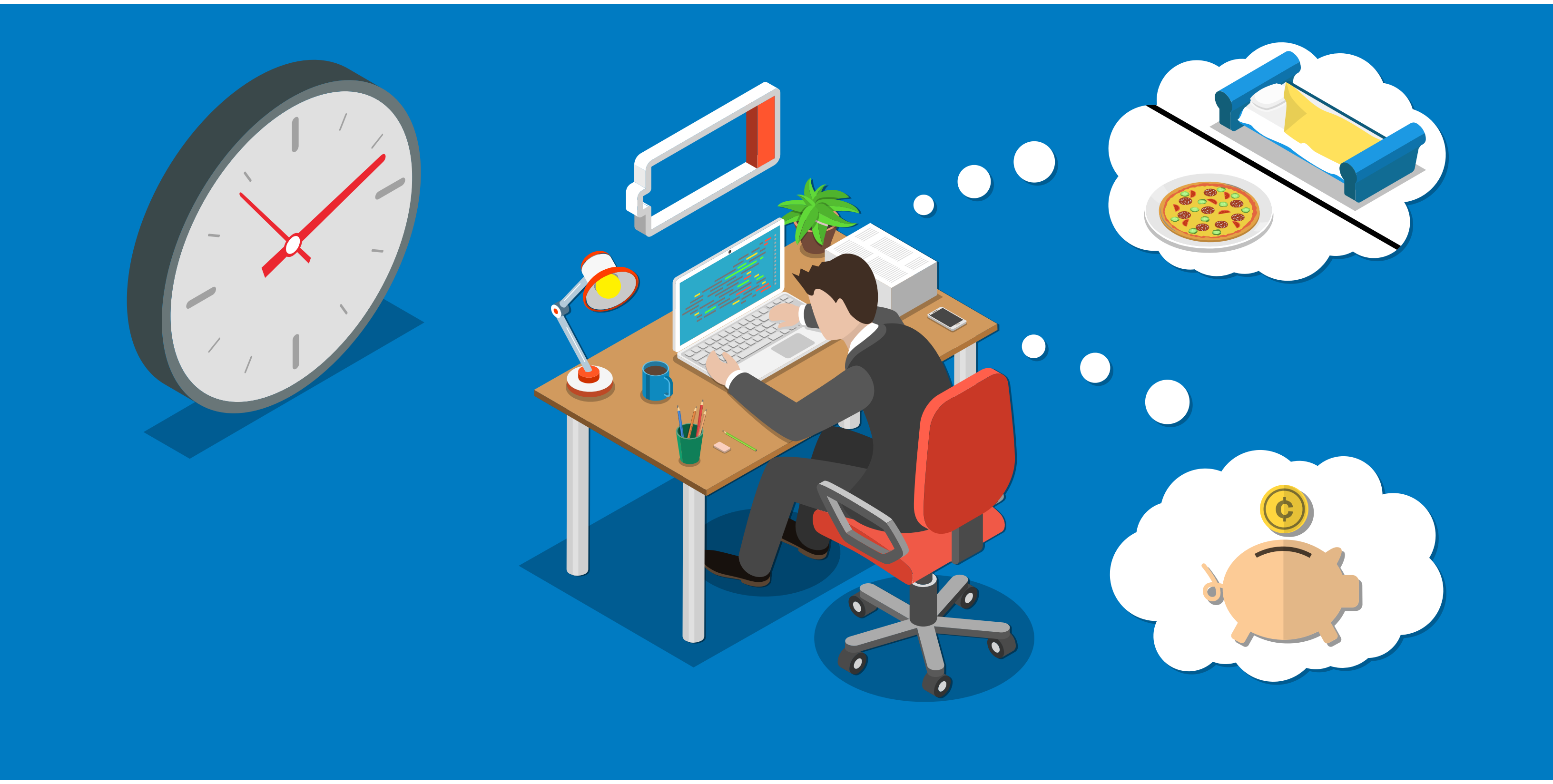

OVERTIME EXEMPTIONS UNDER CALIFORNIA LAW

Many, but not all, employees in California have a right to be paid overtime wages. This article takes a look at exceptions to overtime laws.

CONTENTS

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He writes these guides to put the state’s labor laws into plain English, in neutral terms, with a citation for every claim.

Overtime wages are a type of increased pay that employees can earn when they work more than a certain number of hours in a workday or workweek. California labor laws require most employers to pay overtime wages when their employees work long hours.[1]

There are, however, several types of employees that do *not* have a right to earn overtime pay at an increased rate. Those include:

- Workers classified as *exempt employees* whose primary duties consist of executive, administrative, or professional functions.[2]
- Workers classified as *outside salespersons*.[3]
- Certain unionized employees that are subject to a collective bargaining agreement.[4]
- Workers in specific occupations that have special overtime rules.[5]

This article explains these exemptions in greater detail, as well as what happens when employers fail to properly classify their employees under California law.

CH. 01

The General Test for Employee Exemptions

As mentioned above, certain employees are *exempt* from California and federal laws governing overtime.[6] There are usually three simple requirements to determine whether a worker is an *exempt employee* under California law:

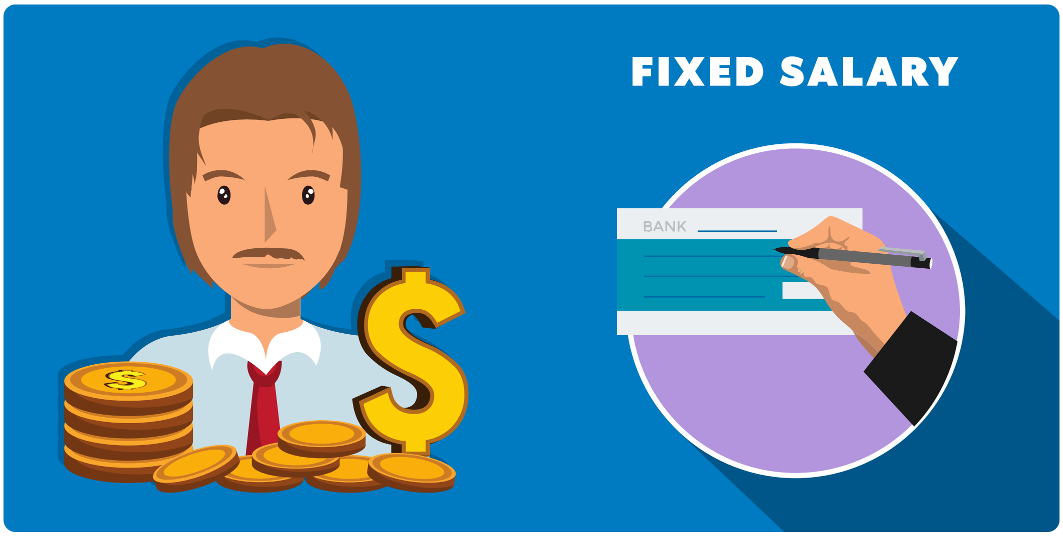
- **Minimum Salary.** The employee must be paid a salary that is at least twice the state minimum wage for full-time employment.[7]
- **White Collar Duties.** The employee's primary duties must consist of administrative, executive, or professional tasks.[8]
- **Independent Judgment.** The employee's job duties must involve the use of discretion and independent judgment.[9]

In addition to this three-part test, there are several types of exemptions that apply to specific jobs or industries, which are discussed in Chapter 5.

Importantly, employers are only entitled to claim an exemption when an employee "plainly and unmistakably" meets the standard required for the exemption.[10] When doubt exists, the law generally requires the employee to be classified as nonexempt.

CH. 02

The Salary Requirement



In general, an employee is only exempt if they are paid on a salary basis (rather than an hourly wage).[11] The salary must be at least *twice the state minimum wage* for full-time employment.[12]

2.1 “Salary” Defined

A *salary*, for these purposes, is an unvarying minimum amount of pay.[13] The employee's pay must be predetermined, and cannot change based on the number of hours worked or the quality of the work performed.[14]

Courts have suggested that employers can deduct from an employee's pay for *full-day* absences and still consider the employee to be paid on a salary basis.[15] But the employee would no longer be considered “salaried” if the employer deducted for *partial-day* absences.[16]

If the employee's pay is based on the number of hours worked with no minimum guarantee, the employee will be treated as being an hourly employee (and thus nonexempt).[17]

2.2 Calculating the Minimum Salary

As mentioned above, California law requires the employee to be paid a monthly salary of at least twice the state minimum wage for full-time employment to qualify as exempt. For these purposes, *full-time employment* is considered 40 hours per week.[18]

In 2026, employees are entitled to be paid a minimum wage of at least $16.90 per hour.[19] This means that the minimum salary for exempt employees in 2026 is **$5,858.67 per month** (or $70,304.00 annually).

These numbers are calculated by doubling the applicable minimum wage, multiplying that amount by 40 hours per week, the result of which is then multiplied by 52 weeks and divided by 12 months. This calculation gives us a monthly salary that is equal to twice the state minimum wage for full-time employment.[20]

$16.90 × 2 × 40 hours × 52 weeks = $70,304.00 per year

Importantly, California's minimum wage is now adjusted for inflation every year, with any increase taking effect on January 1st.[21] This means that the minimum salary for exempt employees in California will usually increase each year as well.

Minimum Annual Salary for Exempt Employees

Applicable Year	Employers with 25 or Fewer Employees	Employers with 26 or More Employees
2015	$37,440	$37,440
2016	$41,600	$41,600
2017	$41,600	$43,680
2018	$43,680	$45,760
2019	$45,760	$49,920
2020	$49,920	$54,080
2021	$54,080	$58,240
2022	$58,240	$62,400
2023	$64,480	$64,480
2024	$66,560	$66,560
2025	$68,640	$68,640
2026	**$70,304.00**	**$70,304.00**

California has applied a single minimum wage to employers of all sizes since 2023. The current-year row updates itself from the state minimum wage.

Employees in certain industries must be paid an even higher salary to qualify as exempt. Fast food restaurant employees who are covered by California's fast food minimum wage ($20.00 per hour) must earn an annual salary of at least $83,200 to be exempt.[22] Similarly, covered health care employees must earn a monthly salary of at least 150 percent of the health care worker minimum wage or 200 percent of the state minimum wage, whichever is greater.[23]

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RELATED GUIDE

Guide to California’s Minimum Wage Laws

How California's minimum wage is set, who it covers, and the higher rates that apply to fast food and health care workers.

CH. 03

The White Collar Duties Requirement

If the salary requirements are met, the next question is whether the employee is employed in an administrative, executive, or professional capacity.[24] This is sometimes called the “white collar duties” test.

To determine whether an employee is employed in an administrative, executive, or professional capacity, we look at which duties the employee actually performs, regardless of job title or how the job is defined in a position description.[25]

Importantly, the white collar duties test focuses on the employee's *primary* duties. California law requires an employee to devote more than half of his or her working hours to the primary duty in order to satisfy this test.[26]

An employee who meets this test will be exempt from several rights, including:

- The right to 10-minute rest periods,
- The right to overtime compensation, and
- The right to a minimum wage (provided, of course, that they meet the minimum salary requirement).[27]

It is therefore important to carefully determine whether an employee meets all requirements of the test.

3.1 Administrative Employees

An employee is considered employed in an administrative capacity if their primary duty is office or nonmanual work directly related to management or general business operations.[28]

Work *relates* to management or general business operations when the employee assists in running the business.[29]

Secretaries, store clerks, bookkeepers, and lead operators on production lines cannot be classified as administrative employees because they do not help run the business.

Examples of duties that relate to management or general business operations include responsibility for marketing, research, budgeting, finance, accounting, purchasing, quality control, human resources, labor or government relations, regulatory compliance, and database administration.[30]

3.2 Executive Employees

An employee is considered employed in an executive capacity when:

- Their primary duty is the management of a business or one of its departments;
- They regularly direct the work of two or more other employees; and
- They have the authority to hire and fire employees, or to make recommendations about hiring, firing, promotions, and wages that are given particular weight.[31]

Management includes such activities as hiring, firing, training, supervising, and disciplining employees; making work assignments; resolving employee grievances; maintaining production or sales records; ordering materials or inventory; and planning a budget.[32]

Executive employees receive little direct supervision.

3.3 Professional Employees

There are three types of professional employees that can qualify for exemptions:

- **Licensed Professionals.** People who are licensed or certified by the State of California and are primarily engaged in the practice of: law, medicine, dentistry, optometry, architecture, engineering, teaching,[33] or accounting.[34]
- **Learned Professionals.** People who have advanced knowledge in a field of science or learning that is customarily acquired by prolonged and specialized study.[35]
- **Creative Professionals.** People who focus on invention, imagination, originality, or talent in a recognized field that is artistic or creative.[36]

The professional employee exemption is fact-specific and depends on the nature of the work that the employee primarily undertakes.

Of note, registered nurses who are employed to engage in the practice of nursing are not exempt professionals, but they might still be exempt as administrators or executives.[37]

CH. 04

The Discretion and Independent Judgment Requirement

To qualify as an exempt employee, California's Labor Code requires the worker to regularly exercise *discretion and independent judgment* in performing their duties.[38]

An employee exercises discretion and independent judgment when the employee makes and implements important choices after considering competing courses of action.[39]

An employee's judgment is *independent* when it is free from immediate direction or supervision, even if an employee who is higher in the management chain has the authority to override the decision.[40]

CH. 05

Exemption Tests for Specific Occupations

In addition to the main exemptions explained above, a handful of other occupations are exempt from some or all of California's labor laws. The more common exemptions are discussed below.

5.1 Commissioned Employees

Employees who are paid on a commission basis are sometimes exempt from California's overtime pay laws. To qualify for this exemption, the following requirements must be met:

- The employee's earnings are more than one-and-a-half times the minimum wage.
- Commission payments constitute more than half of the employee's total compensation.
- They work in either: the retail industry, or a professional, technical, or clerical occupation.[41]

Commissions are wage payments that an employee is entitled to as a result of sales they make. In a commission-based arrangement, the size of the employee's compensation depends on the amount or value of the thing that was sold.[42]

A discretionary payment that an employer can choose to pay or withhold, such as a performance bonus, is *not* a commission even if it is computed as a percentage of sales or profits.[43]

5.2 Physicians and Surgeons

Licensed physicians and surgeons are sometimes exempt for the purposes of *overtime* compensation. To fall under this exemption, the physician or surgeon must:

- Be paid at an hourly rate of at least $107.17 per hour.[44]
- Perform, as their primary duties, tasks that require them to be licensed.[45]

The applicability of this exemption is limited. Medical interns and residents do not qualify. Nor do physicians covered by certain types of collective bargaining agreements.[46]

5.3 Computer Professionals

Employees in the computer software field are sometimes exempt for the purposes of *overtime* compensation.[47] To qualify for this exemption, the following requirements must be met:

- The employee must be primarily engaged in work that is intellectual or creative.[48]
- The employee's primary duties must require the exercise of discretion and independent judgment.[49]
- The employee must be highly skilled in a field of computer systems analysis, programming, or software engineering.[50]
- The employee's primary duties must involve designing or developing computer hardware or software.[51]
- If the employee is hourly, they must be paid at least $58.85 per hour.[52]
- If the employee is salaried, they must earn at least $122,573.13 per year, paid at least once a month in an amount of no less than $10,214.44.[53]

5.4 Private School Teachers

Many teachers are exempt under the *professional* exemption described above. But some teachers at private schools are exempt even if they don't meet those requirements. Instead, they will be considered exempt if:

- They teach students who are in kindergarten or any of grades 1 through 12,
- They earn at least twice the state's minimum wage, and
- They hold a baccalaureate degree (or higher) from an accredited institution of higher learning, or they meet the requirements for a teaching credential from California or any other state.[54]

5.5 Outside Salespersons

Employees who are considered "outside salespersons" are generally considered exempt employees.[55] An *outside salesperson* is defined as someone:

- Who is at least 18 years old,
- Who spends more than half of their working time away from their employer's place of business, and
- Who sells items, services, contracts, or the use of facilities.[56]

5.6 Truck Drivers

Some truck drivers are exempt from California's overtime laws.[57] This exemption applies to interstate truck drivers and drivers who transport hazardous materials.[58]

In those situations, the drivers' hours are controlled by either: federal regulations,[59] or California's motor vehicle regulations.[60]

These drivers remain entitled to certain other employment rights, like the minimum wage. Federal regulators, however, have determined that California's meal and rest break rules cannot be enforced against most drivers of property-carrying commercial vehicles who are subject to the federal hours-of-service regulations.[61]

5.7 Union Employees

Union employees are sometimes exempt from California's overtime laws.[62] To qualify as exempt, the employees must be employed under a collective bargaining agreement that expressly provides for the wages, hours of work, and working conditions of the employees.[63]

The collective bargaining agreement must also provide premium wage rates for all overtime hours worked and a regular hourly rate of pay of at least 30 percent more than the state minimum wage.[64]

5.8 Regulatory Exemptions

California law is governed, in part, by a series of regulations called *wage orders*, which have been issued by California's Industrial Welfare Commission.[65] The wage orders have adopted several exceptions to California's overtime laws, in addition to those listed above, that apply to workers in specific industries or jobs.

Occupations to which special overtime rules apply include:

- Live-in household employees;[66]
- Personal attendants;[67]
- Camp counselors;[68]
- Managers of homes for the aged;[69]
- Certain providers of 24-hour residential childcare;[70]
- Ambulance drivers and attendants;[71]
- Certain agricultural occupations;[72] and
- The employer's spouse, children, and parents.[73]

In many cases, there are specific legal definitions for these kinds of jobs. So not all employees will qualify as exempt. If you are uncertain whether your job falls into one of these categories, you should consult the wage orders or a qualified employment attorney.

CH. 06

Consequences of Misclassification

California courts narrowly construe the exemptions explained above. The employee must "plainly and unmistakably" meet the standard required for the exemption.[74] Otherwise, the employee should be classified as nonexempt.

This standard strongly favors the employee, and the employer has the legal burden of proving an exemption.[75] When employers fail to properly treat their employees as nonexempt, the consequences can be severe.

California law provides for a variety of penalties for Labor Code violations. Some of the most common examples are below.

6.1 Unpaid Overtime

Nonexempt employees in California have a right to be paid overtime wages when they work more than eight hours in a workday, 40 hours in a work week, or seven consecutive days.[76] When employers misclassify their employees as *exempt*, they often fail to pay the employee overtime wages.

Employees who have been deprived of overtime pay because of a misclassification can seek back-pay for the unpaid overtime wages the employee earned.[77] These can add up quickly, even for employees earning a low amount.

Additionally, the employer may be obligated to pay the legal costs and attorney fees that the employee incurred while pursuing their overtime wages.[78]

In some cases, there may also be a penalty of $100 or $200 per pay period in which California's overtime laws were violated.[79] That penalty is normally payable to the State of California, but there are some situations in which the employee can recover up to 35% of it.[80]

6.2 Rest Break & Meal Period Penalties

Non-exempt employees are entitled to meal breaks and rest periods.[81] Employers who misclassify their employees as *exempt* commonly fail to provide the required breaks.

When an employee misses a meal period or rest break, they are entitled to *one extra hour of pay* at the employee's regular rate of compensation.[82]

If the employee misses multiple rest breaks or meal periods, they can earn up to one extra hour *per workday* for their missed rest periods and an additional one hour *per workday* for their missed meal breaks.[83]

Thus, a twelve-hour shift with no rest or meal breaks will entitle the employee to two extra hours of pay at the employee's regular rate of compensation.[84]

These premium payments are themselves considered wages. So an employer's failure to pay them can also support the pay stub and waiting time penalties described below.[85]

6.3 Pay Stub Penalties

If the employer failed to keep proper records of the employee's work, the employer may be obligated to pay the employee a pay stub penalty.[86] The amount of the penalty depends on the number of pay periods that the violation lasted.

For the first pay stub violation, the employee is entitled to a $50 penalty.[87] The employee is then entitled to a penalty of $100 per pay period for every violation after that, up to $4,000.[88]

These penalties only apply when the employer's failure was “knowing and intentional.” An employer that reasonably and in good faith believed it was providing complete and accurate pay stubs is not liable for them.[89]

This penalty often arises when the employee isn't sure how much back-pay they might be owed because the employer mistakenly classified the employee as exempt.

6.4 Waiting Time Penalties

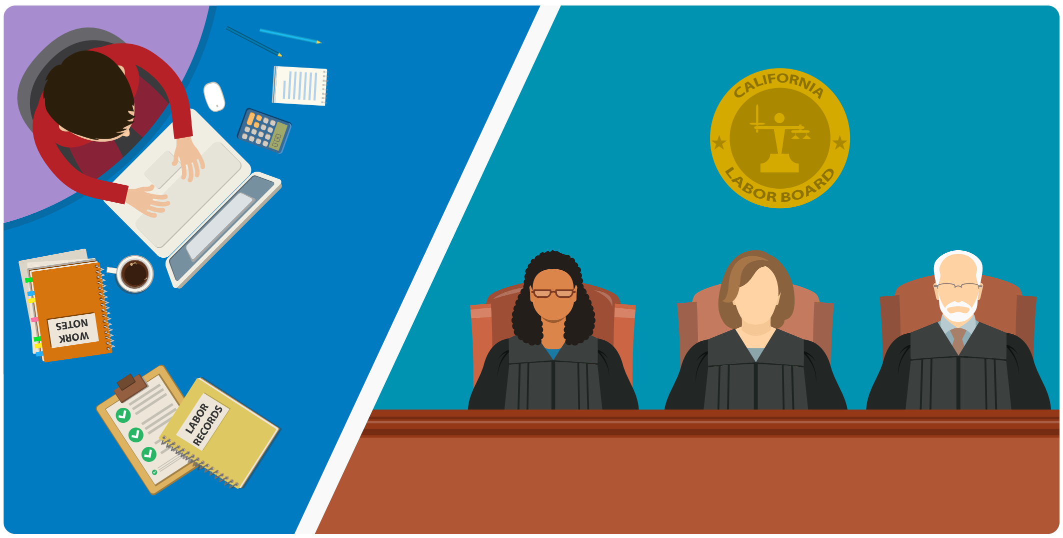
When an employer willfully fails to pay an employee's wages on time as required by the Labor Code, they can be subject to a waiting time penalty. If an employee has been deprived of their full pay due to being misclassified as exempt, they are sometimes entitled to receive this.

Specifically, a delayed payment can result in a penalty of up to 30 days of the employee's wages.[90] The unpaid wages accrue on a daily basis, including on non-workdays, not just on the days that the employee might have worked.

Because the penalty requires a *willful* failure to pay, it generally will not be imposed if there is a good faith dispute about whether the wages are owed.[91]

CH. 07

What to Do If You've Been Misclassified



Employees who have been improperly classified as exempt have three basic options:

- Resolve their dispute informally with their employer,
- File a lawsuit in court, or
- File a wage claim with California's Division of Labor Standards Enforcement (the “DLSE”).[92]

The best way to resolve an exemption dispute will depend on the employee's specific situation. It's usually a good idea to get the opinion of a lawyer before deciding how to proceed.

Employees should keep in mind, however, that there are strict deadlines they need to meet to file a wage claim or lawsuit.

7.1 Deadlines to File Claims

Employees usually have **three years** in which to make a wage claim under California law.[93]

The clock begins to run at the time the wages first become legally due. Usually, wages first become due on the regular payday for the pay period in which the employee performed the work.[94]

When the work is continuing and the employee is paid periodically (e.g., weekly or monthly) a separate and distinct cause of action accrues on each payday, triggering on each occasion the running of a new period of limitations.[95]

7.2 Exceptions

Employees wishing to pursue certain types of claims may face a shorter deadline. A claim for the breach of an oral contract must be filed within **two years**.[96]

A claim seeking statutory penalties may also face a short deadline. The law is somewhat unsettled, but some penalties for the late payment of wages may be subject to a **one-year** statute of limitations.[97] Other penalties, however, are subject to the normal **three-year** statute of limitations.[98]

In some cases, a claim for unpaid wages (but not penalties) can be pursued as late as **four years** after the claim began to accrue. To take advantage of this longer statute of limitations, the employee must be filing their claim based on a breach of a written contract.[99]

Alternatively, the employee might be able to claim the failure to pay their wages was an unlawful business practice under California's Unfair Competition Law.[100] This is sometimes another way for an employee to access a four-year statute of limitations, but the remedies can be limited.[101]

7.3 Federal Cases

Employees can usually seek back pay for overtime wages earned during the **two years** prior to making a wage claim. Federal law extends that time to three years if the misclassification was willful.[102]

References

1 29 U.S.C. § 207; Labor Code, § 510, subd. (a).

2 Labor Code, § 515 [“The Industrial Welfare Commission may establish exemptions from the requirement that an overtime rate of compensation be paid pursuant to Sections 510 and 511 for executive, administrative, and professional employees, if the employee is primarily engaged in the duties that meet the test of the exemption, customarily and regularly exercises discretion and independent judgment in performing those duties, and earns a monthly salary equivalent to no less than two times the state minimum wage for full-time employment.”].

3 Cal. Code of Regs., tit. 8, §§ 11010–11170, subds. (1)(C).

4 Labor Code, § 514.

5 See Cal. Code Regs., tit. 8, §§ 11140, subd. 3, 11150, subd. 3.

6 See 29 U.S.C § 213 [federal exemptions]; Cal. Code of Regs., tit. 8, § 11040, subd. (1)(A).

7 Labor Code, § 515, subd. (a); Cal. Code of Regs., tit. 8, § 11040 [providing that, for each exempted category, the employee must earn “a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment”].

8 Labor Code, § 515, subd. (a) [“The Industrial Welfare Commission may establish exemptions from the requirement that an overtime rate of compensation be paid pursuant to Sections 510 and 511 for executive, administrative, and professional employees, if the employee is primarily engaged in the duties that meet the test of the exemption, customarily and regularly exercises discretion and independent judgment in performing those duties, and earns a monthly salary equivalent to no less than two times the state minimum wage for full-time employment.”].

9 Labor Code, § 515, subd. (a) [requiring employees to “customarily and regularly exercises discretion and independent judgment in performing” the duties of their job].

10 *Nordquist v. McGraw-Hill Broadcasting Co.* (1995) 32 Cal.App.4th 555, 562 [“Exemptions are narrowly construed against the employer and their application is limited to those employees plainly and unmistakably within their terms.”]. Federal law no longer follows this rule. The United States Supreme Court has held that exemptions under the federal Fair Labor Standards Act must be given a “fair reading” rather than a narrow construction. (*Encino Motorcars, LLC v. Navarro* (2018) 584 U.S. 79, 88–89 [138 S.Ct. 1134, 1142].) California courts, however, continue to construe California's exemptions narrowly against the employer.

11 Labor Code, § 515, subd. (a); Cal. Code of Regs., tit. 8, § 11040.

12 Labor Code, § 515, subds. (a), (c).

13 *Negri v. Koning & Associates* (2013) 216 Cal.App.4th 392, 395; *Kettenring v. Los Angeles Unified School Dist.* (2008) 167 Cal.App.4th 507, 513–514.

14 *Negri v. Koning & Associates* (2013) 216 Cal.App.4th 392, 398 [“Since federal law requires that, in order to meet the salary basis test for exemption the employee would have to be paid a predetermined amount that is not subject to reduction based upon the number of hours worked, state law requirements must be at least as protective.”]; *Kettenring v. Los Angeles Unified School Dist.* (2008) 167 Cal.App.4th 507, 513–514 [salary cannot be “subject to reduction because of variations in the quality or quantity of the work performed”], quoting 29 C.F.R. § 541.602(a).

15 *Conley v. Pacific Gas and Elec. Co.* (2005) 131 Cal.App.4th 260, 267; 29 C.F.R. § 541.602(b)(1).

16 *Conley v. Pacific Gas and Elec. Co.* (2005) 131 Cal.App.4th 260, 267 [“It is undisputed that the combined effect of these provisions of federal law is to preclude employers from docking the pay of an employee for an absence of less than a day (a partial-day absence). If they do, then the involved employees do not meet the salary basis test, and are nonexempt for purposes of overtime pay.”].

17 *Negri v. Koning & Associates* (2013) 216 Cal.App.4th 392, 400.

18 Labor Code, § 515, subds. (a), (c).

19 Labor Code, § 1182.12, subds. (b), (c). The minimum wage applies to "all industries" and to "any occupation" except outside salespersons and individuals participating in certain national service programs. (Labor Code, §§ 1171, 1182.12.)

20 Labor Code, § 515, subd. (a).

21 Labor Code, § 1182.12, subd. (c).

22 Labor Code, §§ 1474–1476; *Fast Food Minimum Wage Frequently Asked Questions*, available here.

23 Labor Code, § 1182.14, subd. (g); see also Labor Code, §§ 1182.15, 1182.16; *Health Care Worker Minimum Wage Frequently Asked Questions*, available here.

24 Labor Code, § 515, subd. (a) ["The Industrial Welfare Commission may establish exemptions from the requirement that an overtime rate of compensation be paid pursuant to Sections 510 and 511 for executive, administrative, and professional employees, if the employee is primarily engaged in the duties that meet the test of the exemption, customarily and regularly exercises discretion and independent judgment in performing those duties, and earns a monthly salary equivalent to no less than two times the state minimum wage for full-time employment."].

25 29 C.F.R. § 541.2; *Negri v. Koning & Associates* (2013) 216 Cal.App.4th 392, 398 ["[S]tate law requirements for exemption from overtime pay must be at least as protective of the employee as the corresponding federal standards."].

26 Labor Code, § 515, subd. (e) ["For the purposes of this section, 'primarily' means more than one-half of the employee's worktime."].

27 Labor Code, § 515, subd. (a); Cal. Code of Regs., tit. 8, §§ 11010–11170 [wage orders of the California Industrial Welfare Commission].

28 Cal. Code of Regs., tit. 8, §§ 11010–11150, subds. (1)(A)(2) [defining administrative employee under California law]. An employee might also be considered administrative if they perform "functions in the administration of a school system, or educational establishment or

institution, or of a department or subdivision thereof, in work directly related to the academic instruction or training carried on therein." (*Id.*)

29 29 C.F.R. § 541.201(a).

30 29 C.F.R. § 541.201(b).

31 Cal. Code of Regs., tit. 8, §§ 11010–11150, subds. (1)(A)(1) [defining executive employee].

32 29 C.F.R. § 541.102.

33 "Teaching" for these purposes only applies to teaching under a certificate from the Commission for Teacher Preparation and Licensing or teaching in an accredited college or university. (Cal. Code of Regs., tit. 8, § 11040, subd. (2)(R).)

34 Cal. Code of Regs., tit. 8, §§ 11010–11150, subds. (3)(A).

35 Cal. Code of Regs., tit. 8, §§ 11010–11150, subds. (3)(B).

36 29 C.F.R. § 541.300 [defining professional employee under the federal FLSA]; Cal. Code of Regs., tit. 8, §§ 11010–11150, subd. (1)(A)(3) [defining professional employee under California law].

37 Labor Code, § 515, subd. (f)(1).

38 Labor Code, § 515, subd. (a).

39 29 C.F.R. § 541.202(a) ["In general, the exercise of discretion and independent judgment involves the comparison and the evaluation of possible courses of conduct, and acting or making a decision after the various possibilities have been considered."].

40 29 C.F.R. § 541.202(c) ["The exercise of discretion and independent judgment implies that the employee has authority to make an independent choice, free from immediate direction or supervision. However, employees can exercise discretion and independent judgment even if their decisions or recommendations are reviewed at a higher level."].

41 Cal. Code of Regs., tit. 8, §§ 11040, subd. (3)(D), 11070, subds. (3)(D).

42 Labor Code § 204.1 defines commissions as "compensation paid to any person for services rendered in the sale of such employer's property or

services and based proportionately upon the amount or value thereof." (See also *Areso v. CarMax, Inc.* (2011) 195 Cal.App.4th 996, 1003.)

43 See Labor Code, § 2751, subd. (c) [excluding short-term productivity bonuses, bonus and profit-sharing plans that are not based on a fixed percentage of sales or profits, and "[t]emporary, variable incentive payments that increase, but do not decrease, payment under the written contract" from the statutory definition of a commission].

44 *Overtime Exemption for Licensed Physicians and Surgeons* (Oct. 2025), available here. The rate is adjusted for inflation every year.

45 Labor Code, § 515.6 ["Section 510 shall not apply to any employee who is a licensed physician or surgeon, who is primarily engaged in duties that require licensure pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, and whose hourly rate of pay is equal to or greater than fifty-five dollars ($55.00). The department shall adjust this threshold rate of pay each October 1, to be effective the following January 1, by an amount equal to the percentage increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers."].

46 Labor Code, § 515.6, subd. (b).

47 Labor Code, § 515.5.

48 Labor Code, § 515.5, subd. (a)(1).

49 Labor Code, § 515.5, subd. (a)(1).

50 Labor Code, § 515.5, subd. (a)(3).

51 Labor Code, § 515.5, subds. (a)(2)(A)–(C).

52 Labor Code, § 515.5, subd. (a)(4); *Overtime Exemption for Computer Software Employees* (Oct. 2025), available here. The rate is adjusted for inflation every year.

53 Labor Code, § 515.5, subd. (a)(4); *Overtime Exemption for Computer Software Employees* (Oct. 2025), available here. These figures are adjusted for inflation every year.

54 Labor Code, § 515.8.

55 Cal. Code of Regs., tit. 8, §§ 11010–11170, subds. (1)(C).

56 Cal. Code of Regs., tit. 8, §§ 11010–11170, subds. (2)(M).

57 See, e.g., Cal. Code of Regs., tit. 8, § 11090, subd. (3)(L).

58 Cal. Code of Regs., tit. 8, § 11090, subd. (3)(L); 49 C.F.R. §§ 395.1–395.13; Cal. Code of Regs., tit. 13, § 1200, et seq.

59 See 49 C.F.R. §§ 395.1–395.13.

60 See Cal. Code of Regs., tit. 13, § 1200, et seq.; see also *Collins v. Overnite Transp. Co.* (2003) 105 Cal.App.4th 171, 175.

61 83 Fed.Reg. 67470 (Dec. 28, 2018); *International Brotherhood of Teamsters, Local 2785 v. Federal Motor Carrier Safety Administration* (9th Cir. 2021) 986 F.3d 841.

62 Labor Code, § 514.

63 Labor Code, § 514.

64 Labor Code, § 514.

65 Labor Code, § 1173.

66 Cal. Code Regs., tit. 8, § 11150, subd. 3.

67 Cal. Code Regs., tit. 8, § 11050, subd. 3; see also Labor Code, § 1454 [personal attendants are entitled to overtime after nine hours in a workday or 45 hours in a workweek].

68 Cal. Code Regs., tit. 8, § 11050, subd. 3.

69 Cal. Code Regs., tit. 8, § 11050, subd. 3.

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72 Cal. Code Regs., tit. 8, § 11140, subd. 3. Following a phase-in that was completed on January 1, 2025, however, most agricultural workers are now entitled to overtime on the same daily and weekly basis as other employees. (Labor Code, §§ 857–864.)

73 See, e.g., Cal. Code Regs., tit. 8, § 11040, subd. 1(D).

74 *Nordquist v. McGraw-Hill Broadcasting Co.* (1995) 32 Cal.App.4th 555, 562 [“Exemptions are narrowly construed against the employer and their

application is limited to those employees plainly and unmistakably within their terms.”].

75 *Ramirez v. Yosemite Water Co., Inc.* (1999) 20 Cal.4th 785, 794–795 [“[T]he assertion of an exemption from the overtime laws is considered to be an affirmative defense, and therefore the employer bears the burden of proving the employee's exemption.”].

76 Labor Code, §§ 204, 510, subd. (a) [“Eight hours of labor constitutes a day’s work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.”]; see also Labor Code, §§ 511, 514, 515.

77 Labor Code, §§ 204, 1194, subd. (a).

78 Labor Code, § 1194, subd. (a).

79 Labor Code, §§ 204, 210, 225.5.

80 Labor Code, §§ 210, 225.5; Labor Code, § 2699 [in actions under the Private Attorneys General Act, 35 percent of recovered civil penalties are distributed to aggrieved employees]. The employee's share was increased from 25 percent to 35 percent for actions based on notices filed on or after June 19, 2024. (Assem. Bill No. 2288 (2023–2024 Reg. Sess.); Sen. Bill No. 92 (2023–2024 Reg. Sess.).)

81 Labor Code, § 512, subd. (a).

82 Labor Code, § 226.7, subd. (c); see, e.g., Cal. Code of Regs., tit. 8, §§ 11010–11150, subds. (11)(B). The “regular rate of compensation” is the same regular rate that is used to calculate overtime, so it includes nondiscretionary payments like certain bonuses and commissions, not just the employee's base hourly wage. (*Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 864.)

83 Labor Code, § 226.7, subd. (c); Cal. Code of Regs., tit. 8, §§ 11010–11150, subds. (11)(B), (12)(B).

84 *United Parcel Service, Inc. v. Superior Court* (2011) 196 Cal.App.4th 57, 69.

85 *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal.5th 93, 102.

86 Labor Code, § 226.

87 Labor Code, § 226, subd. (e)(1).

88 Labor Code, § 226, subd. (e)(1) [“An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees.”].

89 Labor Code, § 226, subd. (e)(1); *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1015.

90 Labor Code, § 203, subd. (a); see *McLean v. State of California* (2016) 1 Cal.5th 615, 619 [“An 'employer' that 'willfully fails to pay' in accordance with sections 201 and 202 'any wages of an employee who is discharged or who quits’ is subject to so-called waiting-time penalties of up to 30 days' wages.”].

91 Cal. Code of Regs., tit. 8, § 13520 [a “good faith dispute” that any wages are due will preclude imposition of waiting time penalties].

92 See *Reynolds v. Bement* (2005) 36 Cal.4th 1075, 1084 [“The employee may seek judicial relief by filing an ordinary civil action against the employer for breach of contract and/or for the wages prescribed by statute. [Citations.] Or the employee may seek administrative relief by filing a wage claim with the commissioner pursuant to a special statutory scheme codified in [Labor Code] sections 98 to 98.8.”].

93 Code Civ. Proc., § 338, subd. (a) [statute of limitations: “Within three years: (a) An action upon a liability created by statute, other than a penalty or forfeiture.”]; *Aubry v. Goldhor* (1988) 201 Cal.App.3d 399, 404 [“[A]n employer's obligation to pay overtime compensation to his employee would not exist but for the Labor Code. An action to enforce that obligation therefore is governed by the three-year statute of limitations . . . .”].

94 *Cuadra v. Millan* (1998) 17 Cal.4th 855, 859.

95 *Cuadra v. Millan* (1998) 17 Cal.4th 855, 859.

96 Code of Civ. Proc., § 339.

97 See Code Civ. Proc., § 340, subd. (a) [statute of limitations: “Within one year: (a) An action upon a statute for a penalty or forfeiture, if the action is given to an individual, or to an individual and the state, except if the statute imposing it prescribes a different limitation.”].

98 *Pineda v. Bank of America, N.A.* (2010) 50 Cal.4th 1389, 1392–1401.

99 Code Civ. Proc., § 337, subd. (1) [“Within four years: 1. An action upon any contract, obligation or liability founded upon an instrument in writing . . . .”].

100 Bus. & Prof. Code, § 17208.

101 See Bus. & Prof. Code, § 17203; *Cortez v. Purolator Air Filtration Products Co.* (2000) 23 Cal.4th 163, 178 [“[A]n order that a business pay to an employee wages unlawfully withheld is consistent with the legislative intent underlying the authorization in section 17203 for orders necessary to restore to a person in interest money or property acquired by means of an unfair business practice.”].

102 29 U.S.C. § 255(a).

