



Mineral



Question of the Week

August 28, 2024

Question

We have an exempt employee who is going to be working part-time hours indefinitely. Do we need to switch them to hourly nonexempt or can we simply reduce their salary while keeping them exempt?

ANSWER

You don't *necessarily* need to change their classification, but the minimum salary for exempt employees—which will be determined by federal or state law—can't be prorated based on the number of hours worked. This means you can only keep the employee as exempt if, after the salary reduction, they still make at least the applicable minimum salary. If their new pay is below the minimum for exemption, you'll need to reclassify them as nonexempt and pay them based on the number of hours they work.

This Q&A does not constitute legal advice and does not address state or local law.