PAVIA & HARCOURT LLP

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2025 EMPLOYMENT LAW UPDATE:

INCREASE IN SALARY THRESHOLD FOR ADMINISTRATIVE EXEMPTION FOR EMPLOYEES WORKING IN NEW YORK CITY

Starting on January 1, 2025, the minimum salary for New York City employees to meet the salary threshold for the administrative exemption is $1,237.50 per week or $64,350 per year.

In addition to being paid above the salary threshold, to be exempt from overtime pay under this provision, an employee's primary duty must be the performance of office or non-manual work directly related to management or general business operations of the employer or the employer's customers; including the exercise of discretion and independent judgment with respect to matters of significance.

Employees who do not meet both the salary threshold and the duty test set forth above, must be paid 1.5x the minimum hourly wage for all overs worked over 40 in a workweek.

The salary threshold is next scheduled to change on January 1, 2026, at which time it will increase to $1,275 per week or $66,300 per year.

Contacting Pavia & Harcourt LLP

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About Pavia & Harcourt LLP

Established in 1951, Pavia & Harcourt LLP is a business law firm concentrating in international commercial and corporate transactions, banking, media and entertainment, real estate, litigation and arbitration, intellectual property, estate planning and administration, and matrimonial law. We are based in New York City.