

# Pennsylvania Minimum Wage Act

## Exemption for Executive, Administrative, and Professional Employees

The Minimum Wage Act (MWA) requires employers to pay their employees at a rate of not less than \$7.25 an hour for all hours worked and an overtime rate of 1.5 times the employee's regular rate of pay for all hours worked above 40 in a workweek.

However, section 5(a)(5) of the MWA provides an exemption from both minimum wage and overtime pay for employees employed in a bona fide executive, administrative, or professional capacity. To qualify for the exemption, employees must meet certain tests regarding their salary **and** their job duties. Being paid a salary does not automatically qualify an employee for one of these exemptions. Furthermore, job titles do not determine exempt status.

### Executive Exemption

To qualify for the executive exemption, an employee must meet the following criteria:

- Compensated on a salary basis of not less than \$250 per week;
- Primary duty is management of the enterprise or managing a customarily recognized department or subdivision of enterprise; and
- Work requires customary and regular direction of at least two full-time employees.

Examples: CEO, CFO, human resources director, bank branch manager, office manager

### Administrative Exemption

To qualify for the administrative exemption, an employee must meet the following criteria:

- Compensated on a salary basis of not less than \$250 per week;
- Primary duty consists of office or nonmanual work directly related to management policies or general operation of employer or employer's customers; and
- Work requires the exercise of discretion and independent judgment.

Examples: academic advisor, consultant, insurance claim adjuster, purchasing agent

### Professional Exemption

To qualify for the professional exemption, an employee must meet the following criteria:

- Compensated on a salary basis of not less than \$250 per week;
- Primary duty consists of work requiring the knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized instruction and study OR work that is original or creative in character in a recognized field of artistic endeavor; and
- Work requires the exercise of discretion and judgment OR work requires invention, imagination, or talent in a recognized field of artistic endeavor.

Examples: CPA, attorney, doctor, architect, engineer, author, cartoonist, musician

### Examples of Employees who do not qualify for these exemptions:

bookkeeper, social worker, case manager, advocate for individuals with disabilities, secretary, help desk support specialist, inspector, medical coder, mortgage loan officer and nurse.

Any questions concerning the application of these exemptions, contact the Bureau of Labor Law Compliance at [RA-LI-SLMR-LLC@pa.gov](mailto:RA-LI-SLMR-LLC@pa.gov) or **800-932-0665**. Further information on minimum wage and overtime may be found at [www.dli.pa.gov](http://www.dli.pa.gov), keyword "minimum wage".