Division of Labor Standards Enforcement

History of Rate of Pay for Exemption for Computer Software Employee (California Labor Code Section 515.5(a)(4))

<u>Labor Code Section 515.5</u> provides that certain computer software employees shall be exempt from the requirement that an overtime rate of compensation be paid pursuant to <u>Labor Code Section 510</u>, if certain criteria are met. One of the required criteria is that the employee's hourly rate of pay or annual and monthly salary not be less than a certain threshold dollar amount. The Department of Industrial Relations is responsible for adjusting this pay rate on October 1 of each year to be effective on January 1 of the following year by an amount equal to the percentage increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers.

Below is the history of this required pay rate.

Effective Date	New Rate of Pay	Old Rate of Pay	Amount of Increase	Percentage of Increase Over Previous Rate
January 1, 2020	\$46.55 or annual salary of not less than \$96,968.33 for full time employment, and paid not less than \$8,080.71 per month	\$45.41 or annual salary or not less than \$94,603.25 for full time employment, and paid not less than \$7,883.62 per month	Increase of \$1.14 or increase of \$2,365.08 annual salary, or increase of \$197.09 per month	2.5%
January 1, 2019	\$45.41 or annual salary of not less than \$94,603.25 for full time employment, and paid not less than \$7,883.62 per month	\$43.58 or annual salary of not less than \$90,790.07 for full time employment, and paid not less than \$7,565.85 per month	Increase of \$1.83 or increase of \$3,813.18 annual salary, or increase of \$317.77 per month	4.2%

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January 1, 2018	\$43.58 or	\$42.35 or	Increase of \$1.23 or	2.9%
	annual salary	annual salary	increase of \$2,558.71	
	of not less than	of not less	annual salary, or	
	\$90,790.07 for	than	increase of \$213.23	
	full time	\$88,231.36	per month	
	employment,	for full time		
	and paid not	employment,		
	less than	and paid not		
	\$7,565.85 per	less than		
	month	\$7,352.62 per		
		month		
January 1, 2017	\$42.35 or	\$41.85 or	Increase of \$0.50 or	1.2%
	annual salary	annual salary	increase of \$1,046.22	
	of not less than	of not less	annual salary, or	
	\$88,231.36 for	than	increase of \$87.19	
	full time	\$87,185.14	per month	
	employment,	for full time		
	and paid not	employment,		
	less than	and paid not		
	\$7,352.62 per	less than		
	month	\$7,265.43 per		
		month		
January 1, 2016	\$41.85 or	\$41.27 or	Increase of \$0.58 or	1.4%
	annual salary	annual salary	increase of \$1,203.74	
	of not less	of not less	annual salary, or	
	than	than	increase of \$100.31	
	\$87,185.14 for	\$85,981.40	per month	
	full time	for full time	per monui	
		employment,		
	employment,	and paid not		
	and paid not	less than		
	less than	\$7,165.12 per		
	\$7,265.43 per	•		
	month	month		
January 1, 2015	\$41.27 or	\$40.38 or	Increase of \$0.89 or	2.2%
	annual salary	annual salary	increase of \$1,850.87	
	of not less	of not less	annual salary, or	
	than	than	increase of \$154.24	
	\$85,981.40 for	\$84,130.53	per month	
	full time	for full time	Por monui	
		employment,		
	employment,	and paid not		
	and paid not	less than		
	less than			
	\$7,165.12 per	\$7,010.88 per		
	month	month		

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January 1, 2014	\$40.38 or	\$39.90 or	Increase of \$0.48 or	1.2%
	annual salary	annual salary of not less	increase of \$997.60	
	of not less than	than	annual salary, or	
	\$84,130.53 for	\$83,132.93	increase of \$83.13 per	
	full time	for full time	month	
	employment,	employment,		
	and paid not	and paid not		
	less than	less than		
	\$7,010.88 per	\$6,927.75 per		
	month	month		
January 1, 2013	\$39.90 or	\$38.89 or	Increase of \$1.01 or	2.6%
variatif 1, 2013	annual salary	annual salary	increase of \$2,106.68	2.070
	of not less than	of not less	annual salary, or	
	\$83,132.93 for	than	increase of \$175.56 per	
	full time	\$81,026.25	month	
	employment,	for full-time	monu	
	and paid not	employment,		
	less than	and paid not		
	\$6,927.75 per	less than		
	month	\$6,752.19 per		
		month		
January 1, 2012	\$38.89 or	\$37.94 or	Increase of \$.95 or	2.5%
	annual salary	annual salary	increase of \$1,976.25	
	of not less than	of not less	annual salary, or	
	\$81,026.25 for	than \$79,050	increase of \$164.69 per	
	full-time	for full-time	month	
	employment,	employment,		
	and paid not	and paid not		
	less than	less than		
	\$6,752.19 per	\$6,587.50 per		
	month	month		
January 1, 2011	\$37.94 or	\$37.94 or	0	0
	annual salary	annual salary		
	of not less than	of not less		
	\$79,050 for	than \$79,050		
	full-time	for full-time		
	employment,	employment,		
	and paid not	and paid not		
	less than	less than		
	\$6,587.50 per	\$6,587.50 per		
	month	month		

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January 1, 2010	\$37.94 or	\$37.94 or	0	0
	annual salary	annual salary of not less		
	of not less than	than \$79,050		
	\$79,050 for	for full-time		
	full-time	employment,		
	employment,	and paid not		
	and paid not	less than		
	less than	\$6,587.50 per		
	\$6,587.50 per	month		
January 1, 2000	month \$37.94 or	\$36.00 or	\$1.04 or \$4.050 or \$1.04	5 40/
January 1, 2009	·	annual salary	\$1.94 or \$4,050 annual	5.4%
	annual salary of not less than	of not less	salary for fulltime	
	\$79,050 for	than \$75,000	employment and \$337.50 per month	
	full-time	for full-time	\$337.30 per monui	
	employment,	employment,		
	and paid not	and paid not		
	less than	less than		
	\$6,587.50 per	\$6,250 per		
	month	month.		
September 30, 2008	\$36.00 or	\$36.00	AB 10 Provided	No Change
September 30, 2000	annual salary	420.00	additional requirements	Tvo Change
	of not less than		of annual and monthly	
	\$75,000 for		salary	
	full-time		J	
	employment,			
	and paid not			
	less than			
	\$6,250 per			
	month			
January 1, 2008	\$36.00	\$49.77	SB 929 decrease	Decrease 27.65%
			\$13.77	
January 1, 2007	\$49.77	\$47.81	\$1.96	4.1%
January 1, 2006	\$47.81	\$45.84	\$1.97	4.3%
January 1, 2005	\$45.84	\$44.63	\$1.21	2.7%
January 1, 2004	\$44.63	\$43.58	\$1.05	2.4%
January 1, 2003	\$43.58	\$42.64	\$0.94	2.2%
January 1, 2002	\$42.64	\$41.00	\$1.64	4.0%
September 19, 2000	\$41.00			