



# County Technical Assistance Service

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## Highly Compensated Worker Exemption

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Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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## Highly Compensated Worker Exemption

**Reference Number:** CTAS-144

The regulations create a special category of exemption for employees who earn \$100,000 or more per year, known as the “highly compensated worker” rule. An employee meets this exemption if he or she meets the following requirements:<sup>[1]</sup>

1. The employee earns total annual compensation of \$100,000 or more, which includes at least \$455 per week paid on a salary basis;
2. The employee’s primary duty includes performing office or non-manual work; and
3. The employee customarily and regularly performs at least one of the exempt duties or responsibilities of an exempt executive, administrative or professional employee.

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[1] The requirements are set out in 29 C.F.R. § 541.604.

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