STATE OF CALIFORNIA

PETE WILSON, Governor

DEPARTMENT OF INDUSTRIAL RELATIONS

DIVISION OF LABOR STANDARDS ENFORCEMENT

LEGAL SECTION

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H. THOMAS CADELL, JR., *Chief Counsel*

March 3, 1994

Daniel H. Birman
Chief Operations Officer
GSi/water
520 Mission St.
South Pasadena, CA 91030

Re: **Payment of Compensation To Exempt Employees**

Dear Mr. Birman:

This letter is intended to respond to your letter of February 18, 1994, wherein you ask whether paying exempt employees for hours in excess of 10 hours in a day would jeopardize the exempt status of the employees. The answer is no.

This letter does not address whether the workers are or are not exempt; it simply addresses the question of whether the payment of added compensation (whether denominated overtime premium or by some other name) would affect the exempt status of the employee for purposes of the California Industrial Welfare Commission Orders so long as all the other conditions for exemption are met. This letter also does not address any liability such practices might entail under the Fair Labor Standards Act.

Yours truly,

H. Thomas Cadell, Jr.

H. THOMAS CADELL, JR.
Chief Counsel

c.c. Victoria Bradshaw, State Labor Commissioner

1994.03.03