



FIRE UP YOUR CAREER



In the Retail Industry, Which Is Better: Exempt or Non-Exempt?

[By Robin Salisian]

So which is better? Or is there a better? It might depend on what you're expecting from your employer. Would you rather not be subject to a time-clock (exempt) or be automatically paid time-and-a-half for any overtime work (non-exempt)? Let's take a closer look:

Exempt

According to the Fair Labor Standards Act, exempt employees are:

- Executive, administrative, and professional employees (including teachers and academic administrative personnel in elementary and secondary schools), outside sales employees, and employees in certain computer-related occupations (as defined in Department of Labor regulations);
- Employees of certain seasonal amusement or recreational establishments, employees of certain small newspapers, seamen employed on foreign vessels, employees engaged in fishing operations, and employees engaged in newspaper delivery;
- Casual babysitters and persons employed as companions to the elderly or infirm.

Exempt employees are not subject to minimum wage, the 40-hour workweek, or overtime pay. This may offer more freedom with your time as an employee — no time-clock is ruling your morning. You can excuse

yourself when needed to run to the doctor's or take a longer lunch and make it up later.

However, this also means you might be forced to work overtime and, unfortunately, not be paid for your extra work.

An article on PayScale.com explains, "When my wife was a medical intern, she was scheduled to work 114 hours/week some months. Because she had an M.D., she was exempt as a 'professional.' The current pay for this position is about \$40,000/year. With her work year of over 5,000 hours, she earned a wage of about \$8/hour. Working the counter at a McDonald's in Seattle pays better."

For certain exempt employees, "exempt" is a term loosely held. While executives are listed in the FLSA as exempt employees and are responsible for supervising two or more employees, being in charge of a unit, sub-unit, department, or shift, executives at Starbucks, Radio Shack, and Longs Drug Stores have recently complained about being asked to perform non-exempt work. Pitching in is one thing; however, managers at Radio Shack reported that they spend the majority of their time ringing, vacuuming, and cleaning. Managers and assistant managers at Starbucks also complained that they spend much of their time ringing, cleaning equipment, and doing other "menial" tasks.

One benefit that does come with being an exempt employee is that you usually make more money than a non-exempt employee, though maybe not per hour.

Non-Exempt

"Non-exempt employees include hourly employees (where pay is directly related to the number of hours worked) and some non-exempt salaried workers (clerical, supervisory, and paraprofessional job categories)," says a report at www.georgetown.org.

As a non-exempt employee, you are under the rules of the FLSA and are required to earn at least the federal minimum wage and not only be paid overtime (if you work more than 40 hours a week) but be paid at least time-and-a-half for it.

Non-exempt employees may also earn up to double their normal wage when working holidays.

So you decide. If you're looking to make more money in the long run by earning a salary and are willing to work overtime without pay, look for an exempt position. If you're interested in earning possibly more per hour and being paid extra for your extra work, seek a non-exempt position.

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