

# CALIFORNIA

## California Announces 2022 Salary Level for Computer Software Employee Exemption

California's Department of Industrial Relations (DILR) has [announced](#) that the salary level for the computer software employee exemption will increase to **\$50 per hour** on **Jan. 1, 2022**.

### Computer Software Employee Exemption

State law allows certain [computer software employees](#) an exemption from California's overtime payment requirements if they meet all the requirements for the exemption.

One of the exemption requirements is that computer software employees are paid an hourly rate that is at least equal to a predetermined salary level.

### Salary Level Updates

DILR updates the salary level for the computer software employee exemption every October by an amount equal to the percentage increase in the California Consumer Price Index (CCPI) for Urban Wage Earners and Clerical Workers. New salary levels become effective the following year on Jan. 1.

Citing a 5.3% increase in the CCPI, DILR has adjusted the salary level for the computer software employee exemption as follows:

- Hourly rate from \$47.48 to \$50.00
- Monthly salary from \$8,242.32 to \$8,679.16
- Annual salary from \$98,907.70 to \$104,149.81

### Impact on Employers

California employers planning to claim the computer software exemption in 2022 should review exemption requirements and adjust their payroll as necessary to account for these new salary levels.

### Rate Information

#### Jan. 1, 2021

- Hourly rate: \$47.48
- Monthly salary: \$8,242.32
- Annual salary: \$98,907.70

#### Jan. 1, 2022

- Hourly rate: \$50.00
- Monthly salary: \$8,679.16
- Annual salary: \$104,149.81

*California updates the salary level for the computer software employee exemption every year to reflect changes in the rate of inflation.*

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