



Economic Development Tax Incentives -- Salaried Employees Considered Full-time Employees. A SALARIED EMPLOYEE WILL BE CONSIDERED TO HAVE WORKED THE NUMBER OF HOURS THAT THE EMPLOYER HAS ESTABLISHED AS THE REGULAR WORKWEEK FOR A FULL-TIME HOURLY EMPLOYEE.

Advice has been requested as to determining the number of hours to be used for a salaried employee for the purposes of the Employment and Investment Growth Act in calculating the number of new employees.

Section 77-4103(9), R.S. Supp 1987, provides in part that:

Number of new employees . . . by converting into equivalent employees of forty hours per week the number of hours paid for the time periods . . .

A salaried employee will be considered a full-time employee for any time period for which the full amount of the salary is paid. When the employer does not use a forty hour workweek for determining full-time employment, then the number of salaried employees must be adjusted to determine equivalent employees.

For example, if the regular full-time work week for hourly employees is thirty-six hours, then each salaried employee will be considered to have worked thirty-six hours a week. When converted to equivalent employees of forty hours a week, each salaried employee will be nine-tenths of an equivalent employee.

A salaried employee will be considered to have worked more than the normal work week of the employer only when the amount paid for the comparable period is proportionally increased because of the additional work performed. If the amount of the salary is not proportionally increased, then only the regular number of hours will be included. A salaried employee will be considered to have worked a full workweek during periods that include vacation, compensatory time, or sick leave if the full salary is paid for the period.

If the salaried employee only receives a portion of the normal salary for a particular time period, then the number of hours worked will be in the same proportion to the regular work week as the amount paid is to the full salary.

APPROVED:

A handwritten signature in cursive script that reads 'Donald S. Leuenberger'.

Donald S. Leuenberger
State Tax Commissioner

September 4th, 1987