

California Supreme Court to Hear Overtime Exemption Case Next Week

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By: Mark S. Spring

Almost four years ago, the California Supreme Court granted review of *Harris v. Superior Court*, 154 Cal.App.4th 164 (2007), an important case involving application of the administrative exemption under California law. The Court has finally scheduled oral argument on the case for October 3, 2011.

The issue under review in *Harris* is whether certain insurance claims adjusters were properly classified by their employer as exempt under the administrative exemption. Specifically, the Court will analyze whether the claims adjusters were engaged in work that was "directly related to management policies or general business operations," commonly referred to as the administrative/production dichotomy, and whether this analysis is dispositive of the issue regarding whether an employee is properly classified under the administrative exemption.

This decision in this case is likely to offer some important guidelines in determining how to properly analyze whether employees qualify for the administrative exemption under California law. For a more detailed description of the Court of Appeal ruling and case background, click here. We expect a decision in December or January 2012.

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