


**State of California
Department of Industrial Relations
Office of the Director – Research Unit**

MEMORANDUM

DATE: October 3, 2017
TO: Christine Baker, Director, DIR
FROM: Maria Y. Robbins, Deputy Chief, Office of the Director 
SUBJECT: Overtime Exemption for Licensed Physicians and Surgeons

Labor Code Section 515.6 provides that certain licensed physicians and surgeons are exempt from the overtime requirements stipulated in Labor Code Section 510 if certain criteria are met. One of the criteria is that the employee's hourly rate of pay is not less than fifty-five dollars (\$55.00), effective January 1, 2002. The department is responsible for adjusting this pay rate on October 1st of each year to be effective on January 1st of the following year by an amount equal to the percentage increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers. Last year, the department adjusted the rate to \$77.15, effective January 1, 2017. Data used to adjust this figure is summarized in the table below:

---Urban Wage Earners and Clerical Workers (all items 1982-84 = 100)---

<u>Index</u>	<u>August 2016 Index Value</u>	<u>August 2017 Index Value</u>	<u>% Change from 2016</u>
CCPI	246.735	253.874	2.9%

In accordance with Labor Code Section 515.6(a), the department has adjusted the licensed physicians and surgeons employee's minimum hourly rate of pay exemption from \$77.15 to \$79.39 effective January 1, 2018, reflecting the 2.9% increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers.