


**State of California
Department of Industrial Relations
Division of Labor Statistics and Research**

MEMORANDUM

DATE: November 3, 2009
TO: John C. Duncan, DIR Director
FROM: Gregory Govan, DLSR Chief 
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 Division of Labor Statistics and Research 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 Division of Labor Statistics and Research adjusted the rate to \$69.13, effective January 1, 2009. 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 2008 Index Value</u>	<u>August 2009 Index Value</u>	<u>% Change from Previous Year</u>
CCPI	220.946	217.743	-1.4%

The Computer Software Employee Exemption statute, Labor Code section 515.5 (as amended, SB 10, Statutes of 2008, Chapter 753, §1) and the Physician and Surgeon Employee Exemptions statute, Labor Code section 515.6 (as amended, AB 1719, Statutes of 2003, Chapter 884, § 1) both use the language that requires that the Division of Labor Statistics and Research annually modify the rate by the "**percentage increase**" in the California Consumer Price Index for Urban Wage Earners and Clerical Workers. Because there has been no increase in this index for the measurement period specified by both statutes the rates specified in each will remain unchanged for the period beginning January 1, 2010.

In accordance with Labor Code Section 515.6(a), the Division of Labor Statistics and Research has maintained the same licensed physicians and surgeons employee's minimum hourly rate of pay exemption of \$69.13 effective January 1, 2010, reflecting the absence of an increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers.