

Minimum Wage Change Update

Effective July 24, 2009, the federal minimum wage to be paid by covered employers increases to \$7.25 an hour.

These employers include:

- businesses that produce or handle goods for interstate commerce;
- businesses with annual dollar volume of business of \$500,000 or more; and
- certain other businesses, including hospitals and nursing homes, private and public schools, and federal, state and local government agencies.

Currently the Minnesota minimum wage is \$5.25 for small employers (annual sales volume of less than \$625,000) and \$6.15 for large employers (annual sales volume of more than \$625,000); a \$4.90 training wage may be paid to new employees under the age of 20 during their first 90 days of employment.

For the purpose of the minimum wage law, all persons must be paid the applicable minimum wage. There is no longer a lower rate for minors. Minnesota does not have a tip credit allowance.

In cases where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher of the two minimum wages.

Applicability July 24, 2009, for Minnesota employers:

Training Wage – may be paid to new employees under the age of 20 during their first 90 days of employment	\$4.90
Small Employers – annual sales volume of less than \$500,000 and not engaged in interstate commerce	\$5.25
Federally Covered Employers – businesses with annual dollar volume business of \$500,000 or engaged in interstate commerce	\$7.25

Visit www.dol.gov or call (612) 370-3341 if you have questions regarding the federal minimum wage law.