

Nevada Minimum Wage Increase Announced

April 2010

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Today, the Nevada Labor Commissioner announced that on July 1, 2010, the Nevada minimum wage will increase to \$7.25 per hour or \$8.25 per hour (depending on whether the employer provides *qualified* health insurance benefits).

We have assembled this E-Mail Alert to assist you with the legal and practical issues that you as Nevada employers will face in light of the upcoming implementation of these increases -- including whether you are paying the appropriate minimum wage and complying with Nevada's daily overtime law.

Nevada's Minimum Wage Requirements

As employers doing business in Nevada, you are probably well aware by this time of the change to the Nevada Constitution which provided for a two-tier minimum wage system. Presently, Nevada employers must pay employees at least the tier-1 minimum wage of \$6.55 per hour IF they provide qualified health insurance benefits to that employee. If the employer does not provide *qualified* health insurance benefits, employers must pay employees at least the tier-2 minimum wage of \$7.55 per hour. If you need to determine whether your company is providing the proper level of benefits to qualify for tier-1, we can help answer that question.

Nevada's minimum wage automatically increases every July 1 by the greater of either the increase in the federal minimum wage or an increase in the cost of living (capped at 3%). The amount of each year's increase is announced and published every April 1.

On April 1, 2010, the Nevada Labor Commissioner published an announcement of this year's Nevada minimum wage increases. **Effective July 1, 2010 Nevada employers must pay at least \$7.25 per hour for tier-1 employees, and at least \$8.25 per hour for tier-2 employees.** You must also provide written notification of this minimum wage increase to all of your employees.

Nevada's Daily Overtime Requirement

Nevada's daily overtime law is one of the critical issues Nevada employers must review. In Nevada, any employee who earns less than 1 ½ times the applicable minimum wage must receive overtime for any hours worked over 8 in a work day (or 10-hours in a work day if the employee has agreed to work four 10-hour days).

The increase in Nevada's minimum wage will expand the pool of employees who will qualify for daily overtime. You should pay close attention to those employees previously unaffected by the daily overtime requirements to ensure that each employee receives the proper premium pay, when required.

The following chart provides guidance on when Nevada employees must receive daily overtime:

Effective Date	Pay daily overtime if employee received qualified benefits, and earns less than:	Pay daily overtime if employee does not receive qualified benefits, and earns less than:
Current	\$9.83 per hour	\$11.33 per hour
July 1, 2010	\$10.88 per hour	\$12.38 per hour

What Nevada Employers Should Do

Nevada employees are sensitive to wage-hour laws. The coming increases in the Nevada minimum wage provide an excellent opportunity to evaluate compliance with all wage and hour laws, and implement any necessary changes.

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should seek professional legal advice on matters involving these issues.

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