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New Nevada Minimum Wage(s) Take Effect July 1

April 8, 2009



On April 1, 2009, the Nevada State Labor Commissioner issued his annual wage bulletins that outline increases in Nevada's two-tiered minimum wage rates. Currently, the state's minimum wage is either \$5.85 or \$6.85 per hour, depending on whether an employer offers qualified health benefits to its employees, but these will increase this summer. Coupled with a scheduled increase in the federal minimum wage, the situation is potentially confusing.

Starting on July 1, 2009, Nevada employers will face a seventy cents (\$0.70) increase in state minimum-wage rates. For those employers offering qualified health benefits to their employees, a \$6.55 per hour minimum wage rate will apply. For those employers not offering qualified health benefits, the minimum wage rate of \$7.55 will apply. These rates will remain in effect until June 30, 2010.

Of course, where the applicable Nevada minimum wage and the federal minimum wage are different, the employer must pay the **higher** of the two. On July 24, 2009 the federal minimum wage will increase to \$7.25 per hour, and employees normally receiving the lower-tier Nevada minimum wage must be paid at the new federal rate. (*See chart below*)

Daily Overtime

And remember that, under Nevada law, a non-exempt employee who works more than eight hours in a work day must be paid overtime at time and one-half the regular rate **except** in the following situations:

1. Where the employee works four ten-hour days in a workweek by mutual agreement, or
2. Where the employee is paid at a rate not less than one and one-half times the Nevada minimum wage. Note that when making this computation it is only the Nevada minimum wage that is used, even though in some situations the federal minimum wage will be different.

The following chart outlines Nevada's new minimum wage and daily overtime requirements:

Employer Obligation				
Effective Date	Minimum Wage: If employee receives qualified benefits	Minimum Wage: If employee does not receive qualified benefits	Pay Daily Overtime: If employee receives qualified benefits and earns less than	Pay Daily Overtime: If employee does not receive qualified benefits and earns less than
Current	\$5.85	\$6.85	\$8.775	\$10.275
July 1, 2009	\$6.55	\$7.55	\$9.825	\$11.325
July 24, 2009	\$7.25	\$7.55	\$9.825	\$11.325

These multiple minimum wages can cause confusion. For further advice about how this law affects your operation, contact any attorney in the Las Vegas office of Fisher & Phillips at 702.252.3131.

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