

Minnesota's minimum wage increases Aug. 1, second of three increases

Minnesota's large employer minimum-wage rates rise to as much as \$9 an hour beginning Aug. 1, 2015. This is the state's second of three annual minimum-wage increases put into law in 2014.

The law increases minimum-wage rates again in August 2016, when the top rate goes to \$9.50 an hour. In January 2018, the rates will be annually indexed to inflation based on economic conditions.

"Minnesotans who work full time should be able to earn enough money to lift their families out of poverty and achieve the American Dream," said Gov. Mark Dayton. "Raising the minimum wage will improve the lives of more than 288,000 hard-working Minnesotans. I thank the Legislature for recognizing the need to make work pay in Minnesota."

"This is good news for Minnesota's lowest-wage workers and will help them earn more to provide for their families," said Ken Peterson, commissioner, Minnesota Department of Labor and Industry (DLI).

To help employers understand the new requirements, DLI has updated its minimum-wage fact sheets; both are available at www.dli.mn.gov/MinWage.

As of Aug. 1, 2015

- Large employers must pay at least \$9 an hour when the employer's annual gross revenues are \$500,000 or more.
- Small employers must pay at least \$7.25 an hour when the employer's annual gross revenues are less than \$500,000.
- The training wage rate, \$7.25 an hour, may be paid to employees younger than 20 years of age for the first 90 consecutive days of employment.
- The youth wage rate, at least \$7.25 an hour, may be paid to employees younger than 18 years of age who are not covered under federal law.

Other minimum-wage laws

- Minimum-wage rates apply to all hours worked, whether part time or full time.
- Employees must be paid at least the minimum-wage rate, no matter how they are paid.
- No employer may take a tip credit against wages in Minnesota.
- Examples of workers exempt from minimum-wage requirements include: bona fide executive, administrative or professional workers; babysitters; and volunteers of nonprofit organizations.

Free workplace poster

Minnesota's new minimum-wage poster is available online and ready to download at www.dli.mn.gov/Posters. The poster's minimum-wage rates are in effect from Aug. 1, 2015, to July 31, 2016. Minnesota law requires employers to display the poster in a physical location where employees can easily see it. There is no cost for the poster.

For more information

On the Web -- www.dli.mn.gov/MinWage

By email -- dli.laborstandards@state.mn.us

By phone -- (651) 284-5070 or 1-800-342-5354

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