



A GUIDE TO MINNESOTA'S

# MINIMUM WAGE LAWS

## FORMS OF PAYMENT

Employees cannot be required to accept payment of wages via direct deposit or payroll card. If an employee opts out of using direct deposit or a payroll card, the employer must provide payment of wages via check or cash.

## PURPOSE OF MFLSA

The Legislature declared the purpose of the Minnesota Fair Labor Standards Act is:

- (1) to establish minimum wage and overtime compensation standards that maintain workers' health, efficiency and general well being;
- (2) to safeguard existing minimum wage and overtime compensation standards that maintain workers' health, efficiency and general well-being against the unfair competition of wage and hour standards that do not; and
- (3) to sustain purchasing power and increase employment opportunities.

**Notice:** This brochure is a brief summary of the Minnesota minimum wage laws and is intended as a guide. It is not to be considered a substitute for Minnesota statutes and rules.

## CONTACT INFORMATION

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This document can be provided in different forms, such as large print, Braille or audio, by calling (651) 284-5005.



# MINNESOTA'S MINIMUM WAGE RATES

Minnesota's minimum wage rates as of Aug. 1, 2015. Rates change again Aug. 1, 2016.

<b>LARGE EMPLOYER</b>	Any enterprise with an annual gross dollar volume of sales made or business done of \$500,000 or more	<b>\$9.00</b>
<b>SMALL EMPLOYER</b>	Any enterprise with an annual gross volume of sales made or business done of less than \$500,000	
<b>TRAINING RATE</b>	May be paid to employees younger than 20 years of age for the first 90 consecutive days of employment	<b>\$7.25</b>
<b>YOUTH RATE</b>	Paid to employees younger than 18 years of age who are not covered under federal law	
<b>FEDERAL WAGE</b>	Applies to individual employees of small employers who are engaged in interstate commerce	
<b>J-1 VISA</b>	Applies to employees of hotels, motels, lodging establishments and resorts working under the authority of a summer work, travel Exchange Visitor (J) non-immigrant visa	<b>\$7.50</b>



## NO TIP CREDIT

There are no tip credits against the minimum wage allowed in Minnesota. Employers of wait staff or other tipped employees may not use employee tips to offset the minimum wage. Tipped employees must be paid the minimum wage for all hours worked.



## OVERTIME

Under Minnesota law, employers are required to pay 1½ the regular rate of pay for all hours worked more than 48 in a seven-day period. If the employer or employees are federally covered, then overtime must be paid for all hours worked more than 40 in a seven-day period.



## REST PERIODS

Although Minnesota law does not require an employer to give any specific amount of time for breaks, employers are required by law to allow an employee to use the nearest restroom facility once every four hours and allow sufficient time to eat a meal once every eight hours. Any break less than 20 minutes long must be paid.



## WHO IS COVERED?

The minimum wage law covers full-time and part-time employees, whether paid hourly rates, commissions, salaries or piece rates. Tipped employees are also covered; Minnesota does not allow for tips received by employees to be credited toward the payment of minimum wages.

Under the law, employers must pay their employees the minimum wage for all hours worked. "Hours worked" includes training time, waiting time, rest periods of fewer than 20 minutes and any other time the employees must be at work.

## WHO IS NOT COVERED?

Employees who are exempt from minimum wage requirements include:

- babysitters;
- taxicab drivers;
- volunteers of nonprofit organizations;
- people providing police or fire protection;
- employees subject to the provisions of the U.S. Department of Transportation (drivers, drivers' helpers, mechanics and loaders); and
- other workers listed under Minnesota Statutes §177.23, subd. 7.

## FINAL WAGES

Final wages must be paid to a terminated employee within 24 hours of the employee's demand and on the next scheduled payday to an employee who voluntarily quits (Minnesota Statutes §§181.13, 181.14, 181.145).