

New Minimum Wage Rates for Minnesota Employers

As of January 1, 2019, large Minnesota employers with annual gross revenues of \$500,000 or more will generally be required to pay their employees a minimum wage of at least \$9.86 per hour. Small Minnesota employers that gross less than \$500,000 annually will generally be required to pay employees a minimum wage of at least \$8.04 per hour. Both are increases from the current minimum wages of \$9.65 for large employers, and \$7.87 for small employers.

Minnesota's minimum wage increased for the first time in more than a decade in 2014. The law required phased-in hourly increases on August 1 of each year through 2016, and then indexed to inflation based on economic conditions beginning January 2017. The 2019 minimum wage rate increase is linked to a change in the price deflator as an increase of 2.16 percent.

- Remember to keep in mind that there are both state and federal minimum wage laws that apply to employees. As of August 2018, the federal minimum wage remains at \$7.25 per hour. If both state and federal minimum wage laws apply to a particular employee, that employee is entitled to the higher of the two minimum wages. However, in most cases in Minnesota in 2019, the state minimum wage will be higher than the federal minimum wage.