



## Next Phased Federal Minimum Wage Increase Comes In July

Effective July 24, 2008, the federal minimum wage for covered non-exempt employees will rise from \$5.85 to \$6.55 per hour. The Fair Minimum Wage Act of 2007, which amended the Fair Labor Standards Act, FLSA, provides for another phased increase to \$7.25 per hour effective July 24, 2009. A separate provision of the bill brings about phased increases to the minimum wage in American Samoa and the Commonwealth of the Northern Mariana Islands, with the goal of bringing the minimum wage in those locations up to the general federal minimum wage over a number of years.

Many states also have minimum wage laws. Covered employers must comply with both. The tip credit provisions of the FLSA remain the same. An employer is still only required to pay \$2.13 an hour in direct wages if that amount plus the tips received equals at least the Federal minimum wage, provided the employer has informed the employee of the tip credit being taken, the employee retains all tips except to the extent they participate in a valid tip pooling arrangement,

and the employee customarily and regularly receives more than \$30 a month in tips.

The youth minimum wage also remains the same. Employees under 20 years of age may be paid \$4.25 per hour during their first 90 consecutive calendar days of employment with an employer.

Every employer of employees subject to the FLSA's minimum wage provisions must post, and keep posted, a notice explaining the Act in a conspicuous place in all of their establishments so as to permit employees to readily read it.

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August 2008

## Milage Rate Change

Purpose	Rates 1/1 through 6/30/08	Rates 7/1 through 12/31/08
Business	50.5	58.5
Medical/Moving	19	27
Charitable	14	14

## Minimum Wage (cont.)

Required posters and other compliance assistance materials concerning the minimum wage increase are available from the Department of Labor's Wage and Hour Division Web site at [www.wagehour.dol.gov](http://www.wagehour.dol.gov). Information is also available by calling the U.S. Department of Labor's toll-free help line at 1-866-4US-WAGE (487-9243).