
OHIO CHAMBER EMPLOYMENT LAW UPDATE

*** WAGE AND HOUR ALERT ***

Thursday, October 4, 2007

STATE RELEASES NEW 2008 MINIMUM WAGE RATES

On Thursday, October 04, the Ohio Department of Commerce's Wage and Hour Bureau released the newly calculated minimum wage rates that are scheduled to take effect on January 1, 2008. This increase in the state's minimum wage is due to the constitutional amendment passed by Ohio voters in the November 2006 election. The amendment raised the minimum wage to \$6.85 beginning January 1, 2007. It also provides an automatic increase each year depending on the Consumer Price Index (CPI) for urban wage earners and clerical workers from the previous year.

This year the increase amounts to approximately \$.15 cents per hour (or a 2% increase) from the previous year. The new rate will apply to non-tipped Ohio employees who work for employers with over \$255,000 in annual gross sales. Tipped employees will receive half of the new minimum wage rate, or \$3.50 per hour, but such employees must receive \$7.00 per hour after factoring in tips or the employer is required to pay the difference.

The Federal minimum wage increased to \$5.85 per hour on July 24, 2007. The constitutional amendment requires employees working for companies with annual gross sales under \$255,000 and any employee ages 14 or 15 to be paid at least the Federal minimum wage of \$5.85 per hour. The Federal minimum wage is schedule to increase next year on July 24, 2008 to \$6.55. This change at the federal level mid-year will therefore only apply to Ohio's employers grossing under \$255,000 and to 14 and 15 year old employees.

Additional wage and hour information can be found on the Ohio Department of Commerce's Wage and Hour Bureau website at <http://www.com.ohio.gov/laws/> or on the U.S. Department of Labor's website at: <http://www.dol.gov/esa/whd/flsa/>.

Thank you for your attention to this critically important issue for all Ohio employers. I hope this information is helpful, especially when determining what level of payroll to budget for 2008. I will be reporting on several other significant employment law issues in the upcoming edition of the "Ohio Chamber's Employment Law Update" later this month.

Sincerely,

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