

Ohio's Minimum Wage Rate Increases on January 1, 2008

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Ohio's minimum wage will increase from \$6.85 to \$7.00 per hour on January 1, 2008. Pursuant to an Amendment to the Ohio Constitution (the "Amendment"), the minimum wage increases annually to reflect inflation. Ohio employers must adjust their employees' wages accordingly.

The new minimum wage of \$7.00 per hour applies only to non-tipped employees. The minimum wage for tipped employees increases to \$3.50 per hour on January 1, 2008 as well.

The Amendment exempts some employers and employees from the minimum wage requirement. Employees under the age of 16, employees of businesses with annual gross receipts of \$255,000 or less and persons employed on a casual basis in or about the property of the employer or individual's residence are exempt from Ohio's minimum wage requirements. The Amendment does not apply to certain types of employees exempted from the federal minimum wage requirements as well.

Employers and employees exempt from Ohio's minimum wage requirements must still comply with the federal minimum wage, which currently stands at \$5.85 per hour. The federal minimum wage will increase to \$6.55 per hour on July 24, 2008.

Additionally, we recommend that Ohio employers ensure that they are posting both the federal and Ohio minimum wage posters in a visible location. The Ohio minimum wage poster can be found at: <http://www.com.ohio.gov/laws/>. The federal minimum wage poster can be found at: <http://www.dol.gov/osbp/sbrefa/poster/matrix.htm>.

In summary, Ohio employers should:

- 1) Increase all non-tipped employees' wage rate to at least \$7.00 per hour beginning on January 1, 2008;
- 2) Increase all tipped employees' wage rate to at least \$3.50 per hour beginning on January 1, 2008; and
- 3) Post both the federal and Ohio minimum wage posters in a visible location at the workplace.

To learn more about state and federal minimum wage requirements, please contact Joe Gross at 216.363.4163 or jgross@bfca.com or one of the other attorneys in our Labor and Employment Practice Group. Biographical information for our Labor and Employment Practice Group is available at www.bfca.com.