

Ohio Sets New Minimum Wage for 2009

For more information regarding this or any other employment-related issue, please contact your Vorys attorney or a member of the Vorys Labor and Employment Group by calling 614.464.6400.

On January 1, 2009, Ohio's minimum wage will increase to \$7.30 per hour. Two years ago, Ohio voters approved an amendment to the Ohio Constitution that increases the state's minimum wage and imposes related record-keeping and record-disclosure requirements on employers. The Constitutional amendment requires that the minimum wage automatically increase annually by the Consumer Price Index for urban wage earners and clerical workers each January 1, rounded to the nearest five cents.

The current federal minimum wage is \$6.55 per hour. On July 24, 2009, the federal minimum wage will increase to \$7.25.

Thus, with some exceptions noted below, on January 1, 2009, every employer in Ohio must pay its employees at least \$7.30 per hour.

- Employees of businesses with annual gross receipts of \$267,000 or less must be paid at least the federal minimum wage. The \$267,000 gross revenue figure automatically increases annually by the rate of inflation each January 1st, and rounded to the nearest one thousand dollars.

- Employees under the age of 16 must be paid at least the federal minimum wage, currently \$6.55 per hour. The federal minimum wage will increase to \$7.25 per hour on July 24, 2009. Therefore, on and after July 24, 2009, employees under the age of 16 must be paid \$7.25 per hour.
- Tipped employees may be paid at least half the applicable minimum wage (either \$3.65/hour or \$3.28/hour for businesses grossing \$267,000 or less) so long as the combination of tips and paid wages equal or exceed the applicable minimum wage (either \$7.30 or \$6.55 per hour).
- On and after July 24, 2009, tipped employees may be paid at least half the applicable minimum wage (either \$3.65/hour or \$3.63/hour for businesses grossing \$267,000 or less) so long as the combination of tips and paid wages equal or exceed the applicable minimum wage (either \$7.30 or \$7.25 per hour).

This alert contains information necessarily of such a general nature that it cannot be regarded as legal advice. Vorys, Sater, Seymour and Pease LLP is available to provide additional information and to discuss matters contained herein as they may apply to specific situations. For additional information, visit www.vorys.com.
