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Its Budget Planning Time Minimum Wage Adjustments are Coming to Minnesota in 2018

The last quarter of the calendar year is often a time when companies are busy with planning and budgeting for the following year. Minnesota employers doing budget planning for 2018 need to keep in mind that the state minimum wage rates will be adjusted as of January 1, 2018.

Under Minnesota law, the commissioner of the Department of Labor and Industry is required to determine and announce the inflation-adjusted minimum-wage rate each year by August 31. This year, the change in the price deflator is an increase of 1.56 percent.

The new state law rates as of January 1, 2018 will be as follows:

- The large employer rate will move from \$9.50 an hour to \$9.65 an hour. Large employers are those with annual gross revenues of \$500,000 or more.
- The small employer rate will move from \$7.75 an hour to \$7.87 an hour. Small employers are those with annual gross revenues of less than \$500,000.
- The training wage rate will move from \$7.75 an hour to \$7.87 an hour. The training wage rate may be paid to employees younger than 20 years of age for the first 90 consecutive days of employment.
- The youth wage rate will move from \$7.75 an hour to \$7.87 an hour. The youth wage rate may be paid to employees younger than 18 years of age.

In addition to Minnesota state law, employers should be mindful of the [municipal minimum wage ordinance](#) approved by the City of Minneapolis on June 30, 2017. As currently drafted, the ordinance applies to any employee who works in Minneapolis for any amount of time. In addition, like Minnesota state law, the ordinance includes no wage credit for tipped employees. The ordinance will require employers to phase in a higher minimum wage over either a five to seven year period depending on their employee size, as follows:

Date	Large Business (100 or more employees)	Small Business (Less than 100 employees)
Jan. 1, 2018	\$10.00	No increase
July 1, 2018	\$11.25	\$10.25
July 1, 2019	\$12.25	\$11.00
July 1, 2020	\$13.25	\$11.75



July 1, 2021	\$14.25	\$12.50
July 1, 2022	\$15.00	\$13.50
2023	Jan. 1: \$15.00 indexed to inflation	July 1: \$14.50
	July 1, 2024	\$15.00 indexed to inflation