

Minnesota's minimum wage laws

MINNESOTA'S MINIMUM WAGE RATES

Amount as of Jan. 1, 2021

| | | |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| LARGE EMPLOYER | Any enterprise with annual gross revenues of \$500,000 or more | \$10.08 |
| SMALL EMPLOYER | Any enterprise with annual gross revenues of less than \$500,000 | \$8.21 |
| TRAINING RATE | May be paid to employees aged 18 and 19 the first 90 consecutive days of employment | |
| YOUTH RATE | Paid to employees aged 17 or younger who are not covered under federal law | |
| J-1 VISA | Applies to employees of hotels, motels, lodging establishments and resorts working under the authority of a summer work, travel Exchange Visitor (J) non-immigrant visa | |
| FEDERAL WAGE | Currently not applicable unless an employer or employee is specifically exempt from state law, but not federal law. | \$7.25 |



NO TIP CREDIT

There are no tip credits against the minimum wage allowed in Minnesota. Employers of wait staff or other tipped employees may not use employee tips to offset the minimum wage. Tipped employees must be paid the minimum wage for all hours worked.



OVERTIME

Under Minnesota law, employers are required to pay 1½ times the regular rate of pay for all hours worked more than 48 in a seven-day period. If the employer or employees are federally covered, then overtime must be paid for all hours worked more than 40 in a seven-day period.



REST PERIODS

Although Minnesota law does not require an employer to give any specific amount of time for breaks, employers are required by law to allow an employee to use the nearest restroom facility once every four hours and allow sufficient time to eat a meal once every eight hours. Any break less than 20 minutes long must be paid.

WHO IS COVERED?

The minimum wage law covers full-time and part-time employees, whether paid hourly rates, commissions, salaries or piece rates, and regardless of whether the employees receive tips.

Under the law, employers must pay their employees the minimum wage for all hours worked.

“Hours worked” includes training time, waiting time, rest periods of fewer than 20 minutes and any other time the employees must be at work.



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WHO IS NOT COVERED?

Employees who are exempt from minimum wage requirements include:

- babysitters;
- taxicab drivers;
- volunteers of nonprofit organizations;
- people providing police or fire protection; employees subject to the provisions of the U.S. Department of Transportation (drivers, drivers' helpers, mechanics and loaders);
- and other workers listed under Minnesota Statutes §177.23, subd. 7.



STATE, LOCAL AND FEDERAL MINIMUM WAGE LAW

There are state, local (city) and federal minimum wage laws.

Some cities have higher minimum wages than the state minimum wage. The state minimum wage is higher than the federal minimum wage, so employees who are covered by both laws must be paid the higher state minimum wage.



CALCULATING AN ENTERPRISE'S GROSS ANNUAL REVENUE

- Review the enterprise's past four quarterly tax estimates or the previous year audit statement.
- Add up the gross revenue for the four most recent quarters.
- Exclude excise taxes that are listed separately.
- If the combined amount of gross revenue is more than \$500,000, pay the large Minnesota employer minimum wage rate.



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Notice: This flier is a brief summary of Minnesota law. It is intended as a guide and is not to be considered a substitute for Minnesota Statutes regarding minimum wage laws.

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