



Understanding minimum wage and overtime requirements for workers in Minnesota

Minnesota Department of Labor and Industry (DLI)
Labor Standards Division

Agenda and notes

Introduction and housekeeping rules	Diana Salas – DLI
Minimum wage and overtime requirements for workers in Minnesota	Victor Carmona Diana Salas Labor Standards - DLI
City of Minneapolis –Minimum wage	Nicolette Gullickson Labor Standards Enforcement Division
City of St. Paul – Minimum wage	Sierra K. Cumberland Department of Human Rights & Equal Economic Opportunity
Q & A - Closing	David Skovholt Labor Standards - DLI

- This is a large audience
- Mics and cameras are off
- If you have questions, please submit those in the chat and we will get to as many as we can
- Slides and recording will be posted to the events page after the event dli.mn.gov/events

DLI operating areas

*DLI's **mission** is to ensure Minnesota's work and living environments are equitable, healthy and safe.*

*DLI's **vision** is to be a trusted resource and an impartial regulator for employers, employees, property owners and other stakeholders.*

DLI operating areas:

- Workers' Compensation
- Occupational Safety and Health (OSHA)
- Labor Standards
- Apprenticeship Minnesota
- Construction Codes and Licensing
- Minnesota Dual-Training Pipeline
- Youth Skills Training
- Office of Combative Sports
- General Support



Labor standards enforced by DLI

Labor standards enforced by DLI

- Minnesota Fair Labor Standards Act
- Women's Economic Security Act
- Earned Sick and Safe Time - ESST
- Child Labor Standards Act
- Minnesota Prevailing Wage Act
- Wage Theft Prevention Act
- Other laws related to employment, wages, conditions, hours.



Labor Standards services and process



Investigations

- Wage claim
- Investigation

Education and outreach

- Technical assistance
- Training
- Videos
- Website, videos and materials

Minnesota Fair Labor Standards Act: Who is an employee?

Employee: Any individual employed by an employer.

Exceptions include (not exhaustive list):

- those who meet tests for “executive, administrative, or professional” employees
- independent contractors
- 19+ exceptions (see Minnesota Statutes 177.23, Subdivision 7)



Executive, administrative and professional Exemptions

- Positions designated under one of these common exemptions must be paid a [guaranteed and predetermined weekly salary](#) and perform certain job duties to be exempt from Minnesota's overtime law. Paying an employee a salary or using a certain job title, such as supervisor, does not make a worker exempt without meeting the “duties tests.”
- Duties tests and salary amounts can be found in [Minnesota Rules 5200.0180](#) and:
 - Executive tests ([Minnesota Rules -- 5200.0190](#))
 - Administrative tests ([Minnesota Rules -- 5200.0200](#))
 - Professional tests ([Minnesota Rules -- 5200.0210](#))
 - The federal FLSA also has similar exemptions for Executive, Administrative and Professional Exemptions, Fact Sheet 17a: [dol.gov/agencies/whd/fact-sheets/17a-overtime](#)

Executive

Executive test I:

- at least \$250 per week in salary; manages the enterprise by which the person is employed or a recognized department or subdivision thereof; and customarily directs the work of two or more other employees.

Executive test II:

- receives at least \$155 per week in salary; manages and supervises a department of at least two other full-time people (a full-time employee is defined as one who works at least 35 hours in a workweek); has authority to hire or fire or suggest changes in employees' status; D. regularly exercises discretionary powers; and either:
 - (1) devotes less than 20 percent of time worked, or 40 percent in retail or service establishments, to nonexempt work; (2) owns 20 percent or more of the business; or (3) has sole charge of an independent or branch establishment.

Independent contractor misclassification



Misclassification definition

Worker misclassification occurs when employees are incorrectly treated as independent contractors. As a result, they may lose access to important workplace protections such as minimum wage, overtime pay, Earned Sick and Safe Time (ESST), pregnancy and parental leave, workers' compensation, and unemployment insurance. In Minnesota, misclassification is illegal across all industries, including construction. Employers who misclassify workers—whether intentionally or not—can face penalties, be required to pay back wages, and provide other compensatory damages.

State law: Minimum wage

Employer/employee type	Minimum wage rate 2025	Minimum wage rate 2026
Employers of all the sizes: 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.	\$11.13 an hour	11.41 an hour
Training wage: 90-day training wage (under 20 years of age)	\$9.08 an hour	\$9.31 hour

*minimum wage adjusts Jan. 1 of each year.

Overtime

Minnesota law: Over 48 hours

The Minnesota Fair Labor Standards Act requires employers to pay overtime for all hours worked over 48 per workweek, unless the employee is exempt under [Minnesota Statutes 177.23, subdivision 7](#)

Federal law: Over 40 hours

This is a general guideline that applies in most situations. The U.S. Department of Labor should be contacted for further details.

State law: Deductions from wages

Allowed deductions from employees (direct or indirect):

- Written agreement to deduct insurance payments, union dues, retirement plans, organization or PAC contributions or savings plans
- Up to \$50 for uniform(s), equipment
- Consumables and travel expenses
- Limited meal credit: 60% of one hour of state minimum wage a day
- Limited lodging credit: 75% of one hour of minimum wage a day

State law: Deductions from wages, continued

Allowed deductions from employees:

- Employee voluntarily authorizes the deduction in writing or held liable in court. Authorization must state the amount deducted each pay period.
- Purchase or loan: Authorization required, can be made prior to a purchase or loan.
- Deductions cannot bring the employee below the minimum wage.
- Employers must reimburse several types of deductions upon separation.

State law: Hours worked

The minimum wage must be paid for all hours worked.

Hours worked include:

- training time;
- call time;
- cleaning time;
- waiting time; and
- travel time.



Wage notice

The wage notice must provide:

- Employee's employment status and whether an employee is exempt from minimum wage, overtime and other state wage and hour laws, and on what basis.
 - For information regarding who can be considered exempt, as well as information regarding other exceptions that may apply to minimum wage and overtime, reference Minnesota Statutes 177.23 and Minnesota Administrative Rules, Chapter 5200.0180 through 5200.0220.
- Number of days in the employee's pay period and the regularly scheduled payday.
- Date the employee will receive the first payment of wages earned.

Wage notice, continued



Employee notice

1. Employee:	Address:
Phone number:	Email address:
Date employment began:	
2. Legal name of employer:	Main office/principal place of business address:
Phone number:	Email address:
Operating name of employer (if different):	
Mailing address (if different):	
3. Employment status (exempt or non-exempt):	
<input type="checkbox"/> Employee is exempt from: <input type="checkbox"/> minimum wage <input type="checkbox"/> overtime <input type="checkbox"/> other provisions of Minnesota Statutes 177	
Legal basis for exemption:	
<input type="checkbox"/> Employee is non-exempt (entitled to overtime, minimum wage, other protections under Minn. Stat. 177)	
4. Rate or rates of pay	
Paid by: Hour <input type="checkbox"/> Shift <input type="checkbox"/> Day <input type="checkbox"/> Week <input type="checkbox"/> Salary <input type="checkbox"/> Piece <input type="checkbox"/> Commission <input type="checkbox"/> Other method <input type="checkbox"/>	

Earnings statements

Earnings statement requirements:

- Name of the employee.
- Total hours worked by the employee in the pay period.
- Total amount of gross pay earned by employee in the pay period.
- Net amount of pay after all deductions are made.
- List of deductions made from the employee's pay.
- Date pay period ended.
- Employer's legal and operating name.

Earnings Information		Current	Year to Date
Normal Gross		4,389.30	
Deductions		0.00	
Retentions		0.00	
Overtime		0.00	
EARNINGS TOTAL		4,389.30	5,277.30
Pre-Taxable Gross		351.14	418.18
Post-Taxable Gross		3,971.12	4,859.12

Statutory & Other Deductions		Current	Year to Date
Federal Withholding		311.17	311.17
Additional Federal Withholding		0.00	*****
State Withholding		135.96	135.96
Additional State Withholding		0.00	*****
3DI		0.00	55.06
Medicare		62.67	75.55
Medicare Buyout		0.00	0.00
State Disability Insurance		0.00	0.00
RS		351.14	351.14
RS		0.00	0.00
Employee Retirement		67.04	0.00

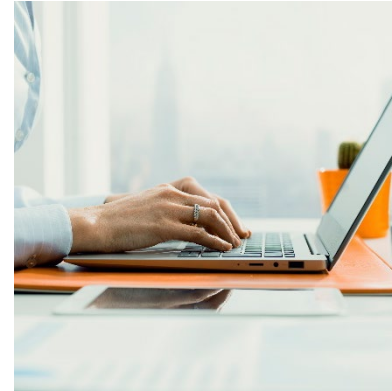
For more information



dli.mn.gov/laborlaw

651-284-5075 or 800-342-5354

dli.laborstandards@state.mn.us



Sign up for additional Labor Standards webinars:

dli.mn.gov/events



Stay up to date with the Labor Standards unit by signing up for the “Wage and Hour Bulletin”:

dli.mn.gov/bulletin

Required posters

Download a free poster pack

Print all seven state-mandated posters for

[English](#) | [Hmong](#) | [Somali](#) | [Spanish](#)

Individual posters

Type of poster, available
languages

Posters and educational materials

dli.mn.gov/posters

Speakers available – Request a speaker

Thank you!

Labor Standards

Labor Standards in Minneapolis

Presented by: Nicolette Gullickson
Labor Standards Enforcement Division

Today's Agenda

- Sick and Safe Time
- Minimum Wage
- Wage Theft
- Freelance
- Resources
- Q & A



Sick and Safe Time

Accrual

Accrual Rate:

1 hour for every 30 hours worked

Maximum Accrual:

48 additional hours in a calendar year up to 80 overall accrued

Carry-over:

80 hours to the next year (or front-load 80 every year)

Accrual begins immediately upon hire and must be available to employees as it accrues

City Labor Ordinances

- SST in effect in MPLS since 2017

SST Do's and Don'ts

- Do:
 - Have/follow a clearly communicated SST policy
 - Allow employees to use SST whenever they need it
 - Assume employees want to use their available hours
 - Do not implement an overly burdensome process for use
 - Ensure timely payment for SST hours used
- Don't:
 - Ask for documentation until 4th missed shift
 - Ask employee for details about their reason for requesting SST
 - Require employees to find replacement workers
 - Require employees to make up hours
 - Require more than 7 days' notice
 - Assess attendance points/penalize employees for using SST

Minneapolis Minimum Wage



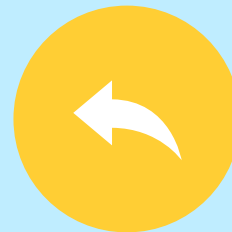
All work conducted in the city (2-hour req.)



No youth, training, or tipped wage



Current min wage
= \$15.97



Increases slightly every Jan. 1st-
will be \$16.37
starting Jan. 2026

Wage Theft Requirements



Pay all wages earned by an employee, on a regularly scheduled payday



Wages include all types of earnings, shift differentials, tips, and commissions



Pay time and a half for overtime hours



Provide pay stubs, with SST data displayed



Written language appropriate pre-hire notice to all employees

Pre-hire Notice Example









1. Employee:		Start Date:
Anna Doe		January 1, 2024
Employee contact information: cell: 555-555-5555/ email: annadoe@minneapolis.gov		
2. Legal name of employer:		Main office/principal place of business address:
City of Minneapolis		City Hall Suite 1000
Operating name of employer (if different):		Mailing address (if different):
n/a		n/a
Phone number: 444-444-4444		
3. Is Employee exempt (from protections under Minn. Stat. ch. 177)?		
<input checked="" type="checkbox"/> No, non-exempt (i.e. employee is entitled to overtime and other provisions of Minn. Stat. ch. 177)		
<input type="checkbox"/> Yes, employee is exempt (from <input type="checkbox"/> overtime <input type="checkbox"/> min. wage <input type="checkbox"/> other provisions of Minn. Stat. ch. 177)		
if yes, exempt, identify legal basis for exemption:		
4. Rate or rates of pay: \$15.57		
Paid by: <input checked="" type="checkbox"/> Hour <input type="checkbox"/> Shift <input type="checkbox"/> Day <input type="checkbox"/> Week <input type="checkbox"/> Salary <input type="checkbox"/> Piece <input type="checkbox"/> Commission <input checked="" type="checkbox"/> Other method		
(if applicable) Overtime is owed after: 40 hours per workweek Overtime rate(s) is calculated as: \$23.36		
(if applicable to the position) – Tips are property of the employee(s). Sharing is voluntary. (Minn. Stat. ch. 177)		
Allowances claimed (if any): 0		
\$ n/a per meal for meal allowance (max = 60% of 1 hour of State of MN adult minimum wage)		
\$ n/a per day for lodging allowance (max = 75% of 1 hour of State of MN adult minimum wage) (or fair market value)		
5. Leave benefits available (check all that apply): <input checked="" type="checkbox"/> Sick and Safe Time/sick leave <input type="checkbox"/> Other paid time off <input type="checkbox"/> Paid vacation		
How benefits are accrued (include all applicable types):		
Sick and Safe Time: 1 hour accrues per 30 hours worked		
Paid vacation: n/a hours/days per		
Other paid time off: n/a hours/days per		
Terms of Use: Employees accrue up to 48 hours of paid sick leave per year. Unused hours roll over into following year, up to a maximum bank of 80 hours. Employees must give notice as soon as practicable for unforeseeable absences and within 7 days for foreseeable absences. To request paid sick and safe time, please notify your supervisor via text or email. Paid sick and safe time may be used for your own sick or safe needs as well as for care for a family member. Please see the city's paid sick and safe time policy, which may be found on page 18 of the employee handbook.		
A new year for Sick and Safe Time* accrual or frontloading begins on this date: Every January 1st.		
6. Deductions that may be made from employee's pay (and amounts if known): standard payroll deductions (i.e. state and federal taxes) and any relevant garnishments		
7. Number of days in the pay period: 14 Regularly scheduled payday: Every other Friday		
Date employee will receive first payment of wages earned: January 21, 2024		
I, the employee, have received a copy of this notice: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Exempt vs. Nonexempt

Administrative: office or non-manual work directly related to the management or general business operations and including exercise of discretion and independent judgment with respect to matters of significance.

Professional: work requiring advanced knowledge, primarily intellectual in character, and including consistent exercise of discretion and judgment. Knowledge acquired by prolonged course of specialized intellectual instruction.

Executive: managing some part of the business, 2+ FTEs, authority over: hiring, firing, promotions, advancement, etc.

	EMPLOYEE	OR	INDEPENDENT CONTRACTOR
	Working for someone else's business		Running their own business
	Paid hourly, salary, or by piece rate		Paid upon completion of project
	Uses employer's materials, tools and equipment		Provides own materials, tools and equipment
	Typically works for one employer		Works with multiple clients
	Continuing relationship with the employer		Temporary relationship until project completed
	Employer decides when and how the work will be performed		Decides when and how they will perform the work
	Employer assigns the work to be performed		Decides what work they will do

Classification Requirements

Freelancer Requirements



Any individual who does work for your business who is not an employee



Applies if payment for work is \$200+ in 7 days or \$600+ in one year



Provide a written contract and abide by its terms



Timely and full payment



Includes private right of action

Thank You!

CITY OF MINNEAPOLIS NOTICE TO EMPLOYEES

Minneapolis Labor and Employment Rights

Wage Theft Prevention

All employees have a legal right to receive:

- Timely and full payment of all earnings.
- Written notice (at start of employment) of certain terms, such as pay rate(s), pay schedule, and sick and safe time (or equivalent leave).
- Earning statements (e.g. paystubs) documenting payments and sick and safe time (or equivalent leave).

Minimum Wage Scheduled Increases

	100 or Fewer Employees	More than 100 Employees**
	Small Business	Large Business
July 1, 2022	\$13.50	\$15.00
Jan. 1, 2023	—	\$15.19
July 1, 2023	\$14.50	—
Jan. 1, 2024	—	\$15.57
July 1, 2024	\$15.57	—
Jan. 1, 2025	\$15.97	15.97

*Future years will include slight increase every Jan. 1st **Franchise locations covered regardless of size.

Sick and Safe Time (access to certain time off work)

- Employers **must pay** employees for use of covered leave at employee's base rate.
- A minimum of one hour of access to covered leave accrues for every 30 hours worked, may be capped at 48 per year and 80 overall.
- Hours begin accruing on first day of work. Part-time and temporary workers are included.



Sick Time

Medical or mental health condition, illness or injury



Safe Time

To address domestic abuse, sexual assault or stalking



Sick or Safe

Care for ill family member or during emergency closure of their school or place of care



Working. Thriving. Together.

Help make Minneapolis a healthier, more secure, and more productive community.

➤ Report Violations

- Call 311.
- File a report online at minneapolismn.gov/laborenforcement
- File a report in person at City Hall, room 239, 350 S. Fifth St.

➤ Retaliation Prohibited

Interference with the exercise of any right protected under the minimum wage, sick and safe time or wage theft prevention ordinances is punishable by fine(s) up to \$3,000 per employee.



THIS POSTER MUST BE DISPLAYED WHERE EMPLOYEES CAN EASILY READ IT
(Download this poster at sicktimeinfo.minneapolismn.gov/employer-resources. It may be printed on 8 1/2" x 11" letter size paper. More questions? We're here to help: sicktimeinfo@minneapolismn.gov or call 311.

For reasonable accommodations or alternative formats please contact the Minneapolis Civil Rights Department at 612-673-3012. People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000. TTY users can call 612-673-2157 or 612-673-2626. Para asistencia 612-673-2700, Yoo xav tau kev pab, hu 612-673-2800, Hadli aad Caawimaad u baahantahay 612-673-3500.

For More Information



City Website: [Sick & Safe Time - Sick & Safe](#)



Call 311



Call the Department: 612-673-3012



Email Questions:
SickTimeInfo@minneapolismn.gov
wagetheft@minneapolismn.gov



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CITY OF SAINT PAUL

HUMAN RIGHTS & EQUAL ECONOMIC OPPORTUNITY

Updated November 2025



Your Saint Paul Labor Standards Rights

Wage Theft

Employees in Saint Paul receive all pay they are due for their work



Chapter 224A

Earned Sick & Safe Time (ESST)

Creates access to paid time off from work for employees who perform work in Saint Paul



Chapter 233

Minimum Wage

Local hourly minimum wage rate for employees who perform work in the city of Saint Paul



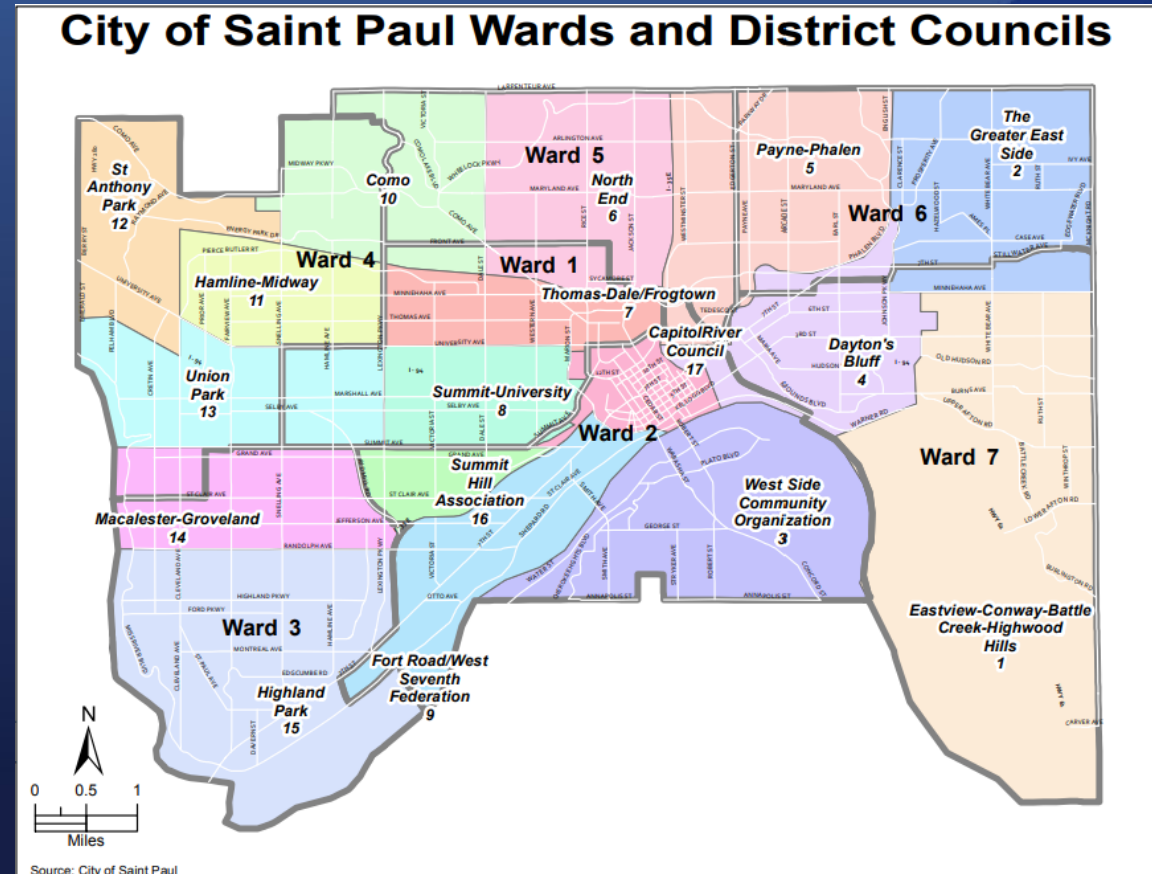
Chapter 224

Minimum Wage in the City of Saint Paul

Saint Paul MW applies for work done within the City

If an employee occasionally works in the City, Saint Paul MW kicks in if they work in the City two hours in a week

Use the Ward and District Locator Tool



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Definition of Employee Minn. Stat., § 177.23



Anyone employed by
an employer



Includes temporary,
part-time, seasonal,
salaried employees



Regardless of
immigration status



Does NOT include
independent
contractors or
government entities
other than the City
of Saint Paul



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Minimum Wage Increase Update

Effective January 01, 2026, the Minimum Wage rate for businesses in the City of Saint Paul will increase according to the below schedule. Learn more at stpaul.gov/minimumwage.



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ECONOMIC OPPORTUNITY

	2025	EFFECTIVE JAN. 1, 2026	EFFECTIVE JULY 1, 2026
CITY RATE Includes Macro & Large (101+ employees)	\$15.97	\$16.37	\$16.37
SMALL (6-100 employees)	\$15.00	\$15.00	\$16.37
MICRO (5 or fewer employees)	\$13.25	\$13.25	\$14.25



Determination of Business Size §224.06

Average number of employees per week during the previous year

Includes all full time, part-time, joint or temporary employees across **all** locations

Franchise: includes all locations owned and operated by a single franchisee

New business? Average number of employees per week for first 90 days

Youth Employment Rates

90 Day Youth Wage

- Can apply to employees who are 14-17 years of age
- 85% of the small business minimum wage rate
- Full minimum wage rate applies after 90 days of hire

Youth-focused Training Program

- City-approved youth-focused training or apprenticeship program
- Can apply to employees under 20 years of age
- 85% of the small business minimum wage rate



Notice to Employees Poster

§224.10

The City of Saint Paul has created a notice poster. Employers may comply with the MW Ordinance's posting requirements by displaying the poster in a prominent location (physical or digital)

- Available in five languages at StPaul.gov/LaborStandards
- Contact HREEO if other languages needed



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**SAINT PAUL**
HUMAN RIGHTS & EQUAL
ECONOMIC OPPORTUNITY

CITY OF SAINT PAUL
Department of Human Rights & Equal Economic Opportunity (HREEO)
Division of Labor Standards Enforcement and Education



Notice to Employees

Wage Theft, Minimum Wage, Earned Sick and Safe Time (ESST) ordinances apply to employees performing work within the geographical boundaries of Saint Paul.

WAGE THEFT

Wage theft occurs anytime employers fail to pay employees what they are legally owed, such as paying below minimum wage, not paying overtime, requiring work without pay, denying legal breaks, misclassification, withholding tips, non-payment of fringe benefits, and illegal deductions.

EARNED SICK AND SAFE TIME

What can you use ESST for?

-  For yourself or a family member's mental or physical illness, injury, or other health conditions.
-  Reasons related to domestic abuse, sexual assault, harassment, or stalking.
-  School or work closure due to weather or public emergency.
-  Funeral arrangement and bereavement.

How do you accrue and use ESST?

- Earn 1 hour of ESST for every 30 hours worked; and a minimum of 48 ESST hours in a year.
- Employees begin accruing ESST on their first day of work and are allowed to use accrued ESST if their employer anticipates they will work 80 hours in a year.
- Employers can frontload 48 hours with payout or frontload 80 hours with no payout.
- Documentation may only be requested for ESST absences of longer than 2 consecutive scheduled workdays.

MINIMUM WAGE INCREASES

The Saint Paul Minimum Wage is updated annually

BUSINESS SIZE	2025	EFFECTIVE JAN. 5, 2026	EFFECTIVE JULY 1, 2026
City Rate <small>(includes Micro & Large (701+ employees))</small>	\$15.97	\$16.37	\$16.37
Small <small>(6-100 employees)</small>	\$15.00	\$15.00	\$16.37
Micro <small>(5 or fewer employees)</small>	\$13.25	\$13.25	\$14.25

REPORT A VIOLATION

If you believe your rights have been violated, you can file a complaint with HREEO using any of these methods:

-  Call us at 651-266-8966
-  Email us at LaborStandards@stpaul.gov
-  Online at www.stpaul.gov/laborstandards
-  Saint Paul City Hall, 15 W Kellogg Blvd, Office 280, Saint Paul, MN 55102



Retaliation is Illegal

 Language interpretation, translation, and accommodations are available upon request

Updated 11/2025

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Record Keeping Requirements §224.09

Employers must retain records for three (3) years & grant access to HREEO

- Employee position & contact information
- Rate of pay & amount paid per pay period
- Hours worked by employees
- Statements of earnings

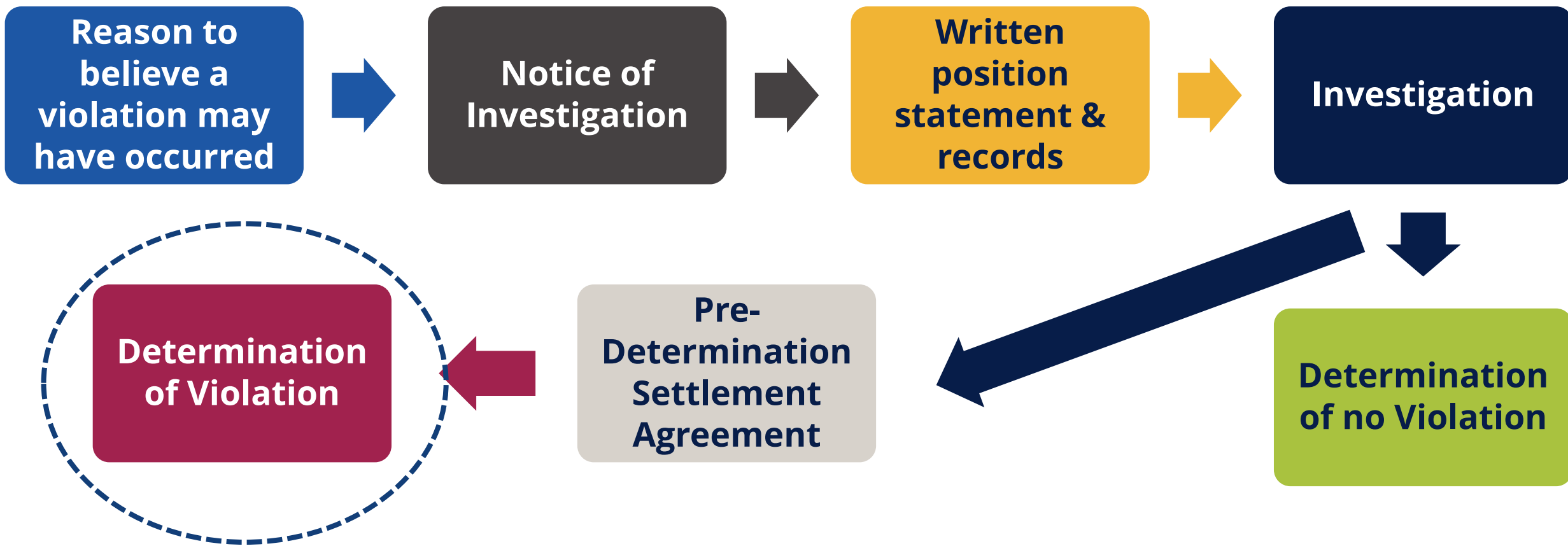
Actions leading to Presumptive Violation of MW Ordinance:

- Failure to maintain adequate records
- Failure to grant HREEO access to records

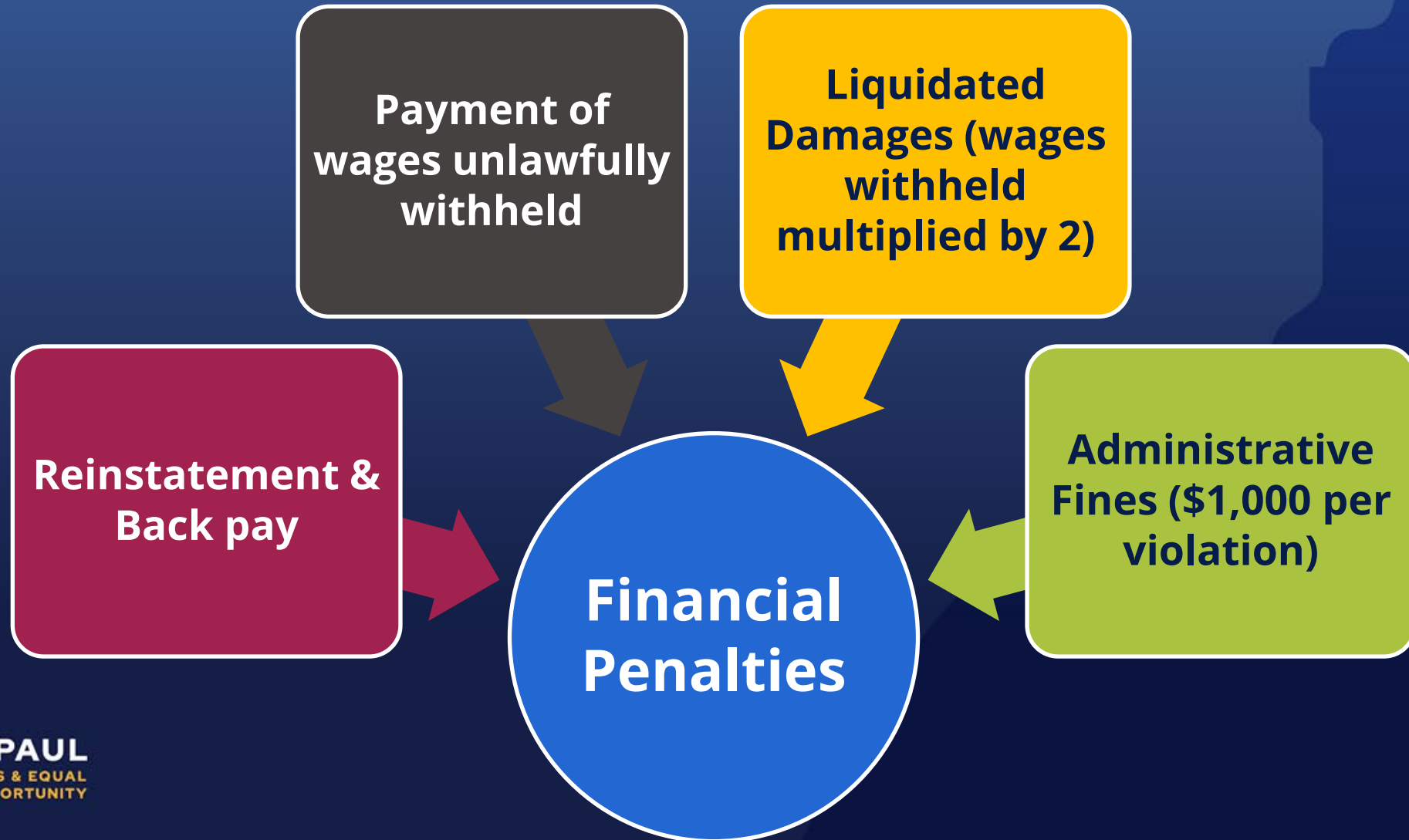




Complaint Investigation Process 224.13



Financial Penalties for First Minimum Wage Violation





HREEO now investigates Wage Theft!

Wage theft occurs any time employers fail to pay wages employees are legally entitled to.

Employees must receive an accurate statement of their earnings!

It is illegal to misclassify an employee as an independent contractor.

Wage theft undercuts good business.

Have questions about Saint Paul Labor Standards?

[Stpaul.gov/LaborStandards](https://stpaul.gov/LaborStandards)
651-266-8966

Email Labor Standards:
LaborStandards@stpaul.gov



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