

Missouri increases minimum wage to \$7.50/hour

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Effective January 1, 2014, most employers in Missouri are now required to pay a minimum wage of \$7.50 per hour, which is higher than the federal minimum wage of \$7.25 per hour. The only exception to the Missouri minimum wage increase is for those retail or service employers who have annual gross sales of less than \$500,000. Finally, tipped employees must receive a minimum of \$3.75 per hour from their employer, who in turn must ensure that the employee receives sufficient tips to bring their total compensation to at least \$7.50 per hour.

Under the Missouri Minimum Wage Law, the Missouri Department of Labor must annually review the prior year's consumer price index in order to determine whether or not the minimum wage should increase or decrease (so long as it does not go below the federal minimum wage rate). Based on this review, the Missouri Department of Labor raised the minimum wage for 2014 from \$7.35 to \$7.50 per hour. The current minimum wage rate will remain in effect through 2014.

While the federal minimum wage has not been increased since 2009, Congressional Democrats have pledged to make the increase of the federal minimum wage rate a top legislative initiative for 2014. The Fair Minimum Wage Act has been introduced before both the House (H.R.1010) and Senate (S.460) and if enacted would increase the federal minimum wage to \$10.10 per hour, spread out over several years.

Given the increase to the Missouri minimum wage, there are now 21 states, including Illinois (\$8.25 per hour), that have now mandated a higher minimum wage than is required by federal law. Those employers that have operations in various states must continue to ensure that their pay practices comply with both federal and applicable state laws regarding the payment of minimum wage. In the event the Fair Minimum Wage Act is passed by Congress and signed into law, employers will have to ensure that it adjusts its payroll practices in that instance. In the meantime, employers must continue to comply with those state laws mandating a higher minimum wage for individuals employed in its state.

By Thomas Berry