

Legal Update

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Minnesota Increases Minimum Wage Rates for 2024

On Aug. 23, 2023, Minnesota's Department of Labor and Industry [announced](#) the minimum wage rate in the state will increase for 2024. Starting Jan. 1, 2024, large employers in Minnesota will need to pay their employees at least \$10.85 per hour. A lower rate of \$8.85 per hour will apply to small employers, some new hires and youth workers.

State Rates

Minnesota's minimum wage rate depends on employer size, though a lower minimum wage rate also applies to employees under the age of 18 and new hires. State law defines the following terms:

- **Large employers:** Employers with annual gross revenue of \$500,000 or more. The \$10.85 rate applies to large employers starting on Jan. 1, 2024.
- **Small employer:** Employers with annual gross revenue that is less than \$500,000. The \$8.85 rate applies to small employers starting on Jan. 1, 2024.
- **Training wage rate:** Effective Jan. 1, 2024, employers may pay a wage as low as \$8.85 per hour to employees younger than 20 years of age for the first 90 consecutive days of employment.
- **Youth wage rate:** Effective Jan. 1, 2023, employers may pay a wage as low as \$8.85 per hour to employees younger than 18 years of age.

State law does not allow a lower wage rate for tipped employees (they must be paid at least the minimum wage rate plus any tips they may earn).

Impact on Employers

Minnesota employers should begin preparing to adjust their payroll to comply with these new minimum wage requirements by Jan. 1, 2024. In addition, state law requires employers to provide each employee with a [written notice](#) of any change before their new rate of pay takes effect.

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State Minimum Wage Rates

Jan. 1, 2023

- \$10.59 for large employers
- \$8.63 for small employers, the training wage and youth workers

Jan. 1, 2024

- \$10.85 for large employers
- \$8.85 for small employers, the training wage and youth workers

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