

[Back to web Version](#)

Ohio's Minimum Wage Boosted 15 Cents On January 1

January 2, 2015



Minimum wage workers in Ohio will see their hourly pay increase by 15 cents in 2015. Effective January 1st, the Ohio minimum wage rate increased from \$7.95 to \$8.10 per hour. The minimum wage rate for tipped employees is one-half that, or \$4.05 per hour. The increased rates are due to the annual adjustment for inflation required by the Ohio Constitution.

Annual Adjustment

Ohio's minimum wage rate is indexed to the consumer price index (CPI) and is adjusted annually each January 1st. The new minimum wage rate is calculated by multiplying the percentage increase in the CPI from the previous year by the existing minimum wage rate and then rounding up to the nearest five cents. For 2015, the inflationary adjustment amounted to 15 cents per hour.

Minimum Wage Thresholds

As a reminder, the gross revenue threshold that determines which Ohio employers are subject to the state minimum wage adjusts annually too. For 2015, that threshold is \$297,000 in annual gross revenue. If your company has annual gross receipts of \$297,000 or more, you must pay your covered employees no less than the state minimum wage rate. If you gross under \$297,000 per year, you are not subject to the state minimum wage but likely must pay employees in accordance with the federal minimum wage rate which is currently \$7.25 per hour.

Employees are considered tipped employees if they regularly receive more than \$30 dollars per month in tips. If you have tipped employees, you must be able to show that each employee receives tips that, when combined with the wages paid by you, equal or exceed the regular minimum wage rate for all hours worked.

If you have any questions regarding these minimum wage requirements or other Ohio wage and hour laws, contact any attorney in our Cleveland office at 440.838.8800 or our Columbus office at 614.221.1425.

This Legal Alert provides an overview of a specific new state law. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.

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