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Ohio Minimum Wage Rate to Increase on January 1, 2012

by LerVal M. Elva

As 2011 winds down, employers are reminded that effective January 1, 2012, Ohio's minimum wage rate will increase by 30 cents per hour, from \$7.40 to \$7.70. Tipped employees, who are paid one-half the minimum wage, will see an increase from \$3.70 to \$3.85 per hour, excluding tips. Ohio employers with annual gross receipts exceeding \$283,000 in 2011 must pay the Ohio minimum wage. Employers should adjust their pay practices accordingly, as well as update their compliance posters. Updated versions of the posters are available on the Ohio Department of Commerce's website.

Exclusions from the Ohio Minimum Wage Law

Ohio employers with 2011 gross receipts less than \$283,000 are excluded from Ohio's minimum wage requirements. However, such employers are still required to pay the federal minimum wage – \$7.25 per hour. Employees under the age of 16 also are not entitled to Ohio's minimum wage and should be paid the federal wage. The federal minimum wage is unchanged since July 2009, when the last of three increases under the Fair Minimum Wage Act of 2007 was made.

Constitutional Amendment

An amendment to Ohio's Constitution, passed in November 2006, allows the state to increase the minimum wage on January 1 of each year, subject to a rise in the Consumer Price Index for the 12-month period prior to September of the current year. The Department of Commerce calculates the increase based on the rate of inflation as measured by the Consumer Price Index.

Additional Information

If you have any questions regarding Ohio's minimum wage requirements or need assistance reviewing your company's policies and procedures, contact the Ogletree Deakins attorney with whom you normally work or the Client Services Department via email at clientservices@ogletreedeakins.com or by phone at 866-287-2576.