

Minnesota Set to Increase Minimum Wage Rates in 2023, Minneapolis and St. Paul Also Raising Minimum Wage Rates

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Every year, the commissioner of the Minnesota Department of Labor and Industry announces the inflation-adjusted minimum wage rate. Accordingly, on January 1, 2023, the Minnesota minimum wage rate will [increase](#) from \$10.33 per hour to \$10.59 per hour for “large employers” (i.e., employers whose annual gross revenues are \$500,000 or more) and \$8.42 per hour to \$8.63 per hour for “small employers” (i.e., employers whose annual gross revenues are less than \$500,000).

Minnesota law also mandates that employers display various [workplace posters](#) of, among other things, the current minimum wage.

In addition to the state of Minnesota’s minimum wage rate adjustments, the cities of Minneapolis and St. Paul have minimum wage rates that are set to increase—some rates in January (instead of in July, as is typically the case) and others in July.

For Minneapolis, the minimum wage rate for small businesses (i.e., one hundred or fewer employees) will increase from \$13.50 per hour to \$14.50 per hour on July 1, 2023. The minimum wage rate for large businesses (i.e., more than one hundred employees) will [increase](#) from \$15.00 per hour to \$15.19 per hour on January 1, 2023. Employers with Minneapolis-based employees are also required to display a [workplace poster](#) showing the city’s minimum wage rate.

For [St. Paul](#), the situation is slightly more complex. For “macro businesses”—those with 10,001 or more employees—the minimum wage will increase from \$15.00 per hour to \$15.19 per hour on January 1, 2023. For “large businesses” (101 to 10,000 employees), the minimum wage will increase from \$13.50 per hour to \$15.00 per hour on July 1, 2023. For “small businesses” (six to one hundred employees), the minimum wage will increase from \$12.00 to \$13.00 per hour on July 1, 2023. Finally, for “micro businesses” (five or fewer employees), the minimum wage will increase from \$10.75 per hour to \$11.50 per hour on July 1, 2023. St. Paul employers are required to display a [workplace poster](#) showing the minimum wage rates for St. Paul-based employees.

Given that 2022 is quickly concluding, employers with Minnesota-based employees may want to consider reviewing their pay practices to ensure compliance with these new changes and update bulletin boards, online bulletin boards, and other posting locations.

Ogletree Deakins’ [Minneapolis office](#) will continue to monitor and report on developments with respect to minimum wage changes and will post updates on the firm’s [Minnesota](#) and [Wage and Hour](#) blogs as additional information becomes available. Important information for employers is also available via the firm’s [webinar](#)

and [podcast](#) programs. Finally, state and federal minimum wage information—in addition to other wage and hour information—is also available in [OD Comply: State Wage & Hour](#) subscription materials, which are updated and provided to [OD Comply](#) subscribers as the law changes.