

LABOR AND EMPLOYMENT

OHIO'S MINIMUM WAGE SET TO RISE JANUARY 1, 2017 AND MANDATORY POSTER

18 Other States and the District of Columbia Also Set to Rise

by Sara H. Jodka

As we near the end of 2016, Ohio employers should note that as of January 1, 2017, Ohio's minimum wage rate will increase by \$.05 cents per hour, from \$8.10 to \$8.15 for non-tipped employees and by \$.03 cents per hour, from \$4.05 per hour to \$4.08 per hour, excluding tips. The increased minimum wage applies to Ohio employers with annual gross receipts exceeding \$297,000 per year, which is up from last year's \$288,000 threshold.

Exclusions from the Ohio Minimum Wage Law

Ohio employers with 2016 annual gross receipts less than \$297,000 are excluded from Ohio's minimum wage requirements; however, they are still required to pay the federal minimum wage – \$7.25 per hour. Employees under the age of 16 also similarly are not entitled to Ohio's minimum wage and are to be paid the federal minimum wage of \$7.25 per hour. To change the federal minimum wage, an act of Congress is first required followed by the President's signature. There has been no change to the federal minimum wage since July 2009, when the last of three increases under the Fair Minimum Wage Act of 2007 was made.

Constitutional Amendment

So why does the minimum wage keep increasing? The answer: An [amendment](#) to Ohio's Constitution was passed in November 2006 that allows the state to increase the minimum wage on January 1 of each year by the rate of inflation. The \$.05 wage increase reflects an increase in the Consumer Price Index (CPI), which rose .7 percent in the past year. The Amendment also states that the wage rate for non-tipped employees shall be rounded to the nearest five cents.

Takeaways

Ohio employers subject to the minimum wage increase should make a note to adjust their pay practices, and update their compliance posters on January 1, 2017. The updated Ohio 2017 Minimum Wage poster is available [here](#).

Here is a list of the 18 other states and the District of Columbia that will have an increased minimum wage as of January 1, 2017.

- Alaska:** \$9.80 an hour.
- Arizona:** \$10.00 an hour. Poster will be available [here](#).
- Arkansas:** \$8.50 an hour.
- California:** \$10.50 an hour.
- Colorado:** \$9.30 an hour
- Connecticut:** \$10.10 an hour.
- District of Columbia:** \$12.50 an hour effective July 1, 2017.
- Florida:** \$8.10 an hour. Poster available [here](#) in English, Spanish, and Creole.

- Hawaii:** \$9.25 an hour.
- Maine:** \$9.00 an hour.
- Maryland:** \$9.25 an hour effective July 1, 2017.
- Massachusetts:** \$11.00 an hour.
- Michigan:** \$8.90 an hour. Poster available [here](#).
- Montana:** \$8.15 an hour
- New Jersey:** \$8.44 an hour.
- New York:** Rate varies by location; effective December 31, 2016.
- South Dakota:** \$8.65 an hour.
- Vermont:** \$10.00 an hour.
- Washington:** \$11.00 an hour.

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