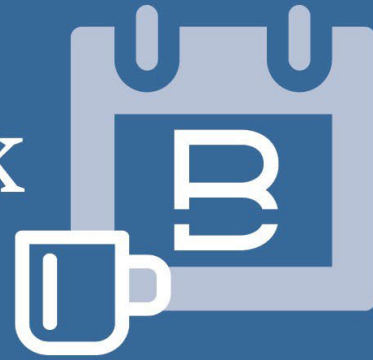


The Work Week

Bassford Remele Employment Practice Group



November 25, 2024

Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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The Bottom Line on Minimum Wage

[Benjamin H. Formell](#)

Minimum-wage laws will continue to change in Minnesota in the coming weeks. Starting January 1, 2025, all Minnesota employers will be required to pay an elevated minimum wage of \$11.13 to all employees. The only remaining exception to this rate will be a short-term \$9.08 training rate limited to 90 days for workers below the age of 20.

An important aspect of this change is that, starting in the new year, all employers will be required to pay Minnesota's newly elevated minimum wage regardless of size, eliminating the state's previous two-tiered system for large and small employers. Minnesota minimum wage already exceeds the federal rate of \$7.25 per hour, by varying degree. For the past year, since January 1, 2024, Minnesota has used a two-tiered system for minimum wage whereby only large employers were held to the higher minimum wage rate of \$10.85 per hour. Smaller employers, meaning employers with annual gross revenue of less than \$500,000, were held to a lower minimum wage rate of \$8.85.

Looking forward, starting January 1, 2025, minimum wage rates will be increased at a rate of 5%, or at the percentage calculated by the Commissioner of the Minnesota Department of Labor and Industry, whichever amount is lower.

Of course, employers in Minneapolis and Saint Paul are already held to those municipalities' higher minimum wage standards. As of July 1, 2024, Minneapolis employers are all held to a minimum rate of \$15.57 (increasing to \$15.97 in 2025). Saint Paul employers are held to varying rates: \$12.25 for those with fewer than 6 employees (increasing to \$13.25 in 2025); \$14.00 for those with 6-100 employees

(increasing to \$15.00 in 2025); and \$15.57 for those with more than 100 employees (increasing to \$15.97 in 2025).

While all these changes hopefully have the effect of simplifying minimum wage between employers, the varying rates at issue present obvious potential pitfalls for any employers unprepared for the dynamic landscape.

The bottom line is that minimum wage continues to rise in Minnesota. Employers need to actively keep track of and plan for coming adjustments and think strategically going forward about where they are located and what their resulting labor costs will be. This will involve both financial planning and navigation of legal obstacles in a changing employment environment.

At Bassford Remele, we regularly counsel employers on strategic legal planning and wage matters. Feel free to reach out if you need assistance in this continually evolving landscape!

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