

Labor & Employment Law Update July 2007

Increased Minimum Wages

Employers should be aware that the federal minimum wage is scheduled to increase to \$7.25 over the next two years, with the increased phased in as follows:

Effective Date	Rate per hour
July 24, 2007	\$5.85
July 24, 2008	\$6.55
July 24, 2009	\$7.25

The Pennsylvania minimum wage is also scheduled to increase to \$7.25 over the next few years, also to be phased in as follows:

Effective Date	Rate per hour
July 1, 2007	\$7.15
July 24, 2009	\$7.25

For small businesses (i.e. those that have the equivalent of 10 or less full-time employees), the Pennsylvania minimum wage will be increased to \$6.65 after July 1, 2007 and then to \$7.25 on July 24, 2009.

A business that employs workers in Pennsylvania must pay the higher of the federal or the Pennsylvania minimum wage. That means the Pennsylvania numbers will apply until July 24, 2009, when the two will be identical. However, along with the lower rate for small businesses, there are other exceptions under Pennsylvania law to the minimum wage, such as a youth training wage, teachers and students, and those employed in seasonal public amusements or recreation. Also, some employees are exempt from the minimum wage, such as executive, administrative and professional employees that qualify under those regulations.

Employers must download and prominently post the new minimum wage poster which is available at www.state.pa.us, PA keyword: minimum wage. The new federal minimum wage poster is not yet available, but employers should periodically check for it at the Department of Labor's website www.dol.gov/esa/regs/compliance/posters/flsa.

If you have any questions concerning the new rates, please contact Scott Leah or any of our other Labor & Employment Attorneys:

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The Labor & Employment Law Group at Tucker Arensberg, P.C. has a diverse client base of private and public employers. Some of the services offered by the Labor & Employment Law Group include: collective bargaining negotiations, representation during strikes, labor arbitrations and matters before the National Labor Relations Board and Pennsylvania Labor Relations Board. In addition, the firm advises employers on discharge and discipline of employees, unemployment compensation, overtime requirements of the Fair Labor Standards Act, the negotiation of individual employment agreements with new employees, releases for employees who are terminated, non-competition and confidentiality clauses, employment agreements and litigation.