



WISCONSIN LEGISLATIVE COUNCIL INFORMATION MEMORANDUM

Minimum Wage Increase

On July 24, 2009, the state minimum wage in Wisconsin increased from \$6.50 per hour to \$7.25 per hour. This increase aligns the state minimum wage with the federal minimum wage, which also increased to \$7.25 per hour on July 24, 2009.

BACKGROUND

Wisconsin sets minimum wage rates that employers must comply with when paying employees. Wisconsin's minimum wage generally applies to all public and private sector employers, regardless of whether they are covered by the federal minimum wage law.

The Department of Workforce Development (DWD) is authorized by state statute to change the state minimum wage through the rule promulgation process.

Prior to July 24, 2009, the state minimum wage was \$6.50 per hour. However, separate minimum wage rates apply for minor employees, opportunity employees, tipped employees, and agricultural employees. The minimum wage was \$5.90 per hour for minor employees and opportunity employees. "Opportunity employees" are employees who are not yet 20 years old and who have been in an employment status with a particular employer for 90 or fewer consecutive days from the date of their initial employment. The minimum wage was \$2.33 per hour for tipped employees and \$2.13 per hour for tipped opportunity employees. The minimum wage was \$5.15 per hour for adults in agricultural occupations and \$4.25 per hour for minors in agricultural occupations.

State statutes authorize the payment of wages that are less than the minimum wage in some limited circumstances. For example, employers who receive a special license from DWD and who employ persons with disabilities, operate rehabilitation facilities, or participate in bona fide student learner programs may pay sub-minimum wages.

MINIMUM WAGE INCREASE

On July 24, 2009, the state minimum wage in Wisconsin increased from \$6.50 per hour to \$7.25 per hour, as a result of a rule promulgated by DWD. The following chart summarizes some of the changes in the state minimum wage made under Clearinghouse Rule 08-069.

Wisconsin's Minimum Wage Under CR 08-069 (per hour)		
Type of Employee	Prior Minimum Wage	July 24, 2009
Adult	\$ 6.50	\$ 7.25
Minor	\$ 5.90	\$ 7.25
Opportunity	\$ 5.90	\$ 5.90*

*CR 08-069 did not change the minimum wage for opportunity employees.

Clearinghouse Rule 08-069 also increased the minimum wage for adult and minor agricultural employees to \$7.25 per hour. The final text of Clearinghouse Rule 08-069 may be found at the following link: http://www.legis.state.wi.us/cr_final/08-069.pdf.

The federal minimum wage also increased to \$7.25 per hour on July 24, 2009. The federal Fair Minimum Wage Act of 2007 increased the federal minimum wage to the following rates:

- \$5.85 per hour on July 24, 2007
- \$6.55 per hour on July 24, 2008
- \$7.25 per hour on July 24, 2009

Therefore, as of July 24, 2009, both the Wisconsin and federal minimum wage are \$7.25 per hour.

This memorandum is not a policy statement of the Joint Legislative Council or its staff.

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