

EMPLOYMENT LAW

Kutak Rock Legal Alert

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Reminder: Nebraska's Minimum Wage Is On The Climb

Minimum wage in Nebraska increased, effective January 1, 2023, from \$9.00 per hour to \$10.50 per hour for non-exempt employees. This hike follows a November vote on Initiative 433, which overwhelmingly passed. The state's minimum wage will continue to incrementally increase each January 1 over the next three years:

- \$10.50 per hour by 2023
- \$12.00 per hour by 2024
- \$13.50 per hour by 2025
- \$15.00 per hour by 2026

After 2026 the minimum wage rate will be tied to increases in the consumer price index and will adjust annually based on inflation.

Also, remember a minimum wage law poster is mandatory in Nebraska and must be displayed in the workplace at all times. Businesses that fail to post this required notice may be subject to penalties or fines. As Nebraska's minimum wage increases each year, this required poster will need to be updated as well.

Nebraska is one of 30 states that have a minimum wage set higher than the federal counterpart of \$7.25 per hour. Where a state's minimum wage is higher than the federal minimum wage, employers must defer to the higher wage rate when paying its non-exempt, hourly employees. Click here for a complete list of minimum wage rates broken down by state.

If you have any questions about employee compensation for exempt or non-exempt employees, please contact a member of the firm's <u>FLSA Litigation and Wage and Hour Defense Group</u> or <u>National Employment Law Group</u>. You may also visit us at <u>www.KutakRock.com</u>.

