

State of Ohio Minimum Wage – A Guide for You & Your Business

On January 1, 2007, the minimum wage amendment, which appeared as State Issue 2 on the November 2006 ballot, will take effect as one of the State of Ohio's newest amendments to the Ohio Constitution. Businesses in Ohio will be required to pay their employees a newly mandated minimum wage and will also be required to maintain and produce specific personnel records for their employees and former employees. The following information contains the details and provisions, as reviewed by the Dayton Area Chamber of Commerce, surrounding this recently passed constitutional amendment and are important for you to observe as a business owner or operator (application and enforcement of this amendment language may change upon the enactment of implementation language currently being considered by the Ohio General Assembly):

State Minimum Wage Increase

- Ohio employers will be required to pay a minimum wage of \$6.85 per hour by January 1, 2007. This wage will be increased each year based on the rate of inflation according to the Consumer Price Index or its successor index for all urban wage earners and clerical workers rounded to the nearest five cents.

State minimum wage increase of \$6.85 per hour will ***not*** apply to the following:

- Tipped employees will be required to be paid a wage not less than half of the Ohio minimum wage. Beginning January 1, 2007 that wage will be at least \$3.43 per hour, however, that is subject to change as the non-tipped minimum wage is annually adjusted. The employer must be able to demonstrate that the tipped employees wage, combined with their tips, is equal to or greater than the minimum wage rate for all hours worked by that employee;
- The federal minimum wage rate, not the state rate, will apply to employees under the age of 16 and to employees of businesses with annual gross receipts of \$250,000.00 or less. The gross revenue figure would be increased each year based on the Consumer Price Index;
- Employees of solely family owned and operated businesses who are family members would be exempt;
- Individuals employed in or about the property of their employer's or their own residence on a casual basis would be exempt;
- The State of Ohio may issue licenses to employers authorizing payment of a wage rate below the Ohio minimum wage to individuals with mental or physical disabilities that may otherwise adversely affect their opportunity for employment.

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Please note below, the new state requirements for business owners and operators regarding employee record maintenance and distribution. These new provisions were contained within State Issue 2 and will be effective on January 1, 2007:

Record Maintenance and Distribution

- Employers must provide an employee, at the time of hire, the employer's name, address, telephone number and other contact information and update such information when it changes;
- Employers must maintain a record of the name, address, occupation, pay rate, hours worked each workday and each amount paid an employee for a period of not less than three years following the last date of employment. Employers must provide a copy of these records, without charge, to an employee or person acting on behalf of an employee upon request.
- Employers must make available to the State of Ohio any records or information related to an investigation or enforcement of the section or law or regulation implementing it.