

Up Up and Away the Minimum Wage Rate Goes?

Labor & Employment Law Update

By Julie Proscia on October 28, 2014

On November 4, 2014, five states — Illinois, Alaska, Arkansas, Nebraska, and South Dakota — as well as a handful of cities and counties, will all vote on various binding and non-binding initiatives that contemplate raising the minimum wage. These state and local initiatives arise after a failed attempt to bring the issue on the federal level earlier this year, and are important to watch in an ever borderless commerce system.

The state roundup of Minimum Wage Initiatives is as follows:

Illinois

The Illinois Minimum Wage Increase Question, which is on the November 4, 2014 ballot, is an advisory question and is NON-binding. The measure asks voters whether or not they support increasing the hourly minimum wage rate from the current rate of \$8.25 per hour to \$10.00 per hour by January 1, 2015. Although the result of the question is not binding, supporters are hoping to use an affirmative vote to increase momentum for subsequent legislation.

Arkansas

The Arkansas Minimum Wage Initiative is on the November 4, 2014 ballot as an initiated state statute. After much litigation, the Arkansas State Supreme Court denied a Little Rock businessman's effort to block the ballot question and the initiative will be voted on. If successful, the Arkansas state minimum wage rate would increase from \$6.25 to \$7.50 per hour on January 1, 2015; to \$8.00 per hour on January 1, 2016; and to \$8.50 per hour on January 1, 2017. Employers in Arkansas that do more than \$500,000 in business per year are currently required to pay at least the federal minimum wage rate of \$7.25 per hour.

Alaska

The Alaska Minimum Wage Initiative is on the November 4, 2014 ballot. If successful, it would increase the state's minimum wage rate from \$7.75 per hour to \$8.75 per hour beginning January 1, 2015, and the rate will increase again to \$9.75 per hour on January 1, 2016. After 2016, the rate would be adjusted either based on inflation, or remain \$1.00 higher than the federal minimum wage, whichever amount is greater.

Nebraska

The Nebraska Minimum Wage Initiative is on the November 4, 2014 ballot as an initiated state statute. If successful, the measure would increase the state's minimum wage rate from \$7.25 per hour to \$8.00 per hour on January 1, 2015, and from \$8.00 per hour to \$9.00 per hour on January 1, 2016.

South Dakota

The South Dakota Minimum Wage Initiative is also on the November 4, 2014 ballot as an initiated state statute. If successful, the measure would increase the minimum wage from \$7.25 per hour to \$8.50 per hour beginning on January 1, 2015. Thereinafter, an increase in the minimum wage rate would occur each year based on inflation.

Although midterm elections are typically not as exciting as presidential years, the November 4, 2014 election has the potential to impact numerous employers in multiple states throughout the country and is definitely one to watch. We will keep you posted!

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