

UPDATE – Up Up and Away the Minimum Wage Rate Went

Labor & Employment Law Update

By Julie Proscia on November 6, 2014

On Tuesday November 4, 2014 all five states that had initiatives on the ballot – Illinois, Alaska, Arkansas, Nebraska, and South Dakota – passed measures to increase the minimum wage. As a reminder, the initiative in Illinois was nonbinding. Most of the increases will occur in a step manner, but all will need to be evaluated for the impact on our pay and businesses.

The state roundup of Minimum Wage Initiatives is as follows:

Illinois

The Illinois Minimum Wage Increase Question, which was on the November 4, 2014 ballot, passed. This initiative was an advisory question and is NON-binding. The measure asked 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.

Arkansas

The Arkansas Minimum Wage Initiative, which was on the November 4, 2014 ballot, passed. The Arkansas state minimum wage rate will increase from \$6.25 to \$7.50 per hour beginning on January 1, 2015; to \$8.00 per hour beginning on January 1, 2016; and to \$8.50 per hour beginning 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, which was on the November 4, 2014 ballot, passed. The Alaska state minimum wage rate will increase from \$7.75 per hour to \$8.75 per hour beginning on January 1, 2015, and the rate will increase again to \$9.75 per hour beginning 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, which was on the November 4, 2014 ballot, passed. The measure will increase the state's minimum wage rate from \$7.25 per hour to \$8.00 per hour beginning on January 1, 2015, and from \$8.00 per hour to \$9.00 per hour beginning on January 1, 2016.

South Dakota

Lastly, the South Dakota Minimum Wage Initiative, which was on the November 4, 2014 ballot, also passed. The measure will 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 will occur each year based on inflation.

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