

# **GovDocs Inc. Federal Minimum Wage Compliance Guide**

The Federal Minimum Wage Increase impacts all U.S. businesses with at least one employee. It will require all businesses to update their federal labor law postings. GovDocs Inc., a leader in labor law compliance materials since 1999, offers the following information to assist employers in understanding and maintaining compliance with the new legislation.

The following information is deemed reliable as of May 25<sup>th</sup>, 2007.

**Q: What is the current federal minimum wage? How much is the increase?**

**A:** The current U.S. minimum wage is \$5.15 per hour. The newly signed bill, H.R. 2006 increases the minimum wage by \$2.10 to a final wage of \$7.25. This is the first change to the federal minimum wage in over a decade and will go into effect on July 24<sup>th</sup>, 2007.

**Q: When does the new federal minimum wage take effect? How will it be phased in?**

**A:** President Bush signed the bill into law on May 25<sup>th</sup>, 2007. Enactment is July 24<sup>th</sup>, 2007 60 days from when the bill was signed into law. The bill increases the federal minimum wage in three stages:

<b>Wage</b>	<b>Effective Date</b>
\$5.15	Current Federal Minimum Wage
\$5.85	First increase – July 24 <sup>th</sup> , 2007
\$6.55	Second increase – July 24 <sup>th</sup> , 2008
\$7.25	Final increase – July 24 <sup>th</sup> , 2009

**Q: As an employer, what are my requirements to comply with the new federal minimum wage?**

**A:** Part of the Fair Labor Standards Act (FLSA), the new federal minimum wage is a type of labor law change. With any mandatory labor law change at the state or federal level, all U.S. businesses with at least one employee are required to communicate the current regulations to their employees by displaying at least one updated labor law poster in each of their locations.

Currently, there are six mandatory and four recommended federal labor law posters. **A change to the minimum wage requires all U.S. businesses to replace their federal posters.** Businesses without proper labor law postings risk significant fines and penalties for non-compliance.

**Q: How can I determine the current labor law requirements and mandatory compliance materials for my state?**

**A:** GovDocs works with over 500 state and federal agencies to proactively monitor regulatory changes across the country. In the past two years, more than 450 labor law changes occurred, with over 40% requiring employers to update their labor law postings.

To view the most recent state-by-state requirements, visit [www.hrdocs.com](http://www.hrdocs.com) or call 1-888-273-3274 to speak to a compliance specialist.

For the highest level of security and peace-of-mind, GovDocs offers an update subscription service that automatically sends new posters to employers whenever a mandatory labor law change occurs, so businesses are always in compliance with the latest required postings. Learn more at [www.hrdocs.com](http://www.hrdocs.com) or call 1-888-273-3274.

**Q: Where do I obtain new state and federal postings?**

**A:** Businesses can obtain postings by contacting each state and federal issuing agency – from the U.S. Department of Labor to the Internal Revenue Service – or conveniently view requirements and purchase posters online at [www.hrdocs.com](http://www.hrdocs.com).

GovDocs actively monitors over 500 state and federal agencies in order to provide complete and accurate U.S. postings – including federal minimum wage – as well as materials for all 50 states and Washington, D.C. The GovDocs update service provides the strongest business protection by automatically sending new posters to employers whenever a mandatory labor law change occurs, so businesses are always in compliance with the latest required postings.

Posters are available in sturdy laminated formats, English and Spanish translations (selected states), and convenient electronic documents that employers can print on demand from a standard desktop printer.

As a bonus, businesses can download free electronic versions of the most current federal postings, or sign up to receive e-mail alerts of relevant labor law changes, at [www.hrdocs.com](http://www.hrdocs.com).

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**Q: Which states increased their minimum wage in 2007?**

**A:** Minimum wage increases went into effect on January 1, 2007 in 17 states:

<b>State</b>	<b>New Minimum Wage, Effective January 1, 2007</b>
Arizona	\$6.75
California	\$7.50
Colorado	\$6.85
Delaware	\$6.65
Florida	\$6.67
Hawaii	\$7.25
Massachusetts	\$7.50
Missouri	\$6.50
Montana	\$6.15
New York	\$7.15
North Carolina	\$6.15
Ohio	\$6.85
Oregon	\$7.80
Pennsylvania	\$6.25
Rhode Island	\$7.40
Vermont	\$7.53
Washington	\$7.93

All employers with facilities in these 17 states must update their state labor law posters to maintain compliance.

**Q: If my state's minimum wage is (or will be) higher than the federal minimum wage, which am I required to pay?**

**A:** Your business's annual revenue, and whether you do business within just one state or across multiple states, typically determines whether your minimum wage requirements are driven by federal or state statutes. In most cases, employers are required to pay at whichever wage is highest, the state or the federal. To view current state and federal minimum wage amounts, visit [www.hrdocs.com](http://www.hrdocs.com) or call 1-888-273-3274 to speak to a compliance specialist.

**Q: If I pay all my employees on salary, or at an hourly rate that exceeds the new minimum wage, does the new law impact my business?**

**A:** Yes. Regardless of the wages paid, all U.S. businesses with at least one employee are required to display the most current federal and state labor law postings. **This change to the minimum wage will require all U.S. businesses to replace their federal posters.** Businesses without proper labor law postings risk significant fines and penalties for non-compliance.

**About GovDocs Inc.**

Compliance leader GovDocs Inc. ([www.hrdocs.com](http://www.hrdocs.com)) supports employers of all sizes with the resources to stay current with today's rapidly changing labor law regulations. Responsible business leaders have relied on GovDocs for its expertise, its proactive monitoring of policy changes at more than 500 state and federal agencies, and its timely, accurate products since 1999.

GovDocs' automatic update services and state and federal labor law posters support the legal compliance efforts of many of the largest, multi-location retailers in the U.S. Headquartered in St. Paul, Minnesota, GovDocs is a division of GovDelivery Inc., a pioneer in government-to-citizen communication solutions.

For more information or to order, visit [www.hrdocs.com](http://www.hrdocs.com) or call 1-888-273-3274.