

Your Minimum Wage Update



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Patrick McGuiness

The federal Fair Labor Standards Act (FLSA) governs minimum wage. It applies to companies that have \$500,000 or greater in gross sales in a year. It applies to companies that are involved in interstate commerce. It applies to companies that regularly use interstate communication. The FLSA also applies to employees of federal, state or local government agencies. This includes hospitals and schools.

Bottom line is that it can be hard to argue that the FLSA does not apply to most green industry businesses.

All workers must be paid minimum wage unless they qualify under an exemption. There are many exemptions to the minimum wage requirements, but few apply to the green industry. The various salary exemptions don't apply to manual laborers, so you cannot avoid minimum wage (or overtime) by paying an employee a salary.

Two other exemptions for minimum wage can occasionally be applied to the green industry.

The agricultural exemption exempts agricultural workers from minimum wage and overtime requirements. However, to qualify under this exemption, workers must be engaged in the production and propagation of crops or plant material. The work must be focused on growing crops, and not related supporting work. So, mowing ditches around crop fields, doesn't qualify a worker as an agricultural worker.

The second exemption that occasionally applies to the green industry is the seasonal recreation and amusement establishment exemption. This exemption allows qualified businesses to avoid paying overtime and minimum wages to workers, but to qualify the business must be a seasonal business with a

primary purpose of creating recreational or amusement activities for customers. Amusement parks and also some golf courses are included in this category. Specific requirements must be met. If you feel your business might qualify under this exemption, consult with employment attorney to be sure.

The current federal minimum wage is \$7.25 per hour. This rate has been in effect since July 24th, 2009. The minimum does not increase at a regular interval and can only be increased (or decreased) by Congress.

There's also a lower initial minimum wage that applies to young workers. Only \$4.25 per hour must be paid to workers that are under 20 years old. This rate only applies for the first 90 consecutive calendar days they're employed, provided their work does not displace other regular workers. After the 90 day period, or when the employee reaches 20 years of age, (whichever comes first), the employee must be paid the \$7.25 minimum wage.

What happens if state minimum wage law is different from the federal law?

Whenever state laws require a minimum wage that is higher than federal law, then the higher state standard applies. A good reference for state minimum wage is available [here](#).