



# Nevada Employers Face Minimum Wage Increase This July 1

Insights

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Nevada employers need to prepare for a substantial change to minimum wage laws, as the pay rate will eventually reach \$12.00 per hour over the course of the next four years – beginning with a hike taking effect on July 1, 2020. As a result of the passage of Assembly Bill 456 (now codified as Nevada Revised Statutes § 608.250) in 2019, employers should be prepared for the gradual increases beginning this week.

## New Minimum Wage Rates

Nevada employers have not experienced an increase in the minimum wage since 2010, as it has remained at \$8.25 per hour since that time. This first increase comes at a time where employers are already dealing with significant challenges arising from operating amid the COVID-19 outbreak, including operating restrictions and decreased revenues.

Pursuant to the new law, employers who do not offer employees qualifying health benefits will be required to pay the following minimum wage rates according to this schedule:

- \$9.00 per hour effective July 1, 2020;
- \$9.75 per hour effective July 1, 2021;
- \$10.50 per hour effective July 1, 2022;
- \$11.25 per hour effective July 1, 2023; and
- \$12.00 per hour effective July 1, 2024.

Employers are eligible to pay employees \$1.00 per hour less if they offer qualifying health benefits. The coverage requirements of such plans are codified in Nevada Revised Statute § 608.258, but employers should note that the hurdles to eligibility for the lower-tiered minimum wage are substantial. Therefore, employers should contact counsel prior to paying employees at the lower tier.

## Overtime

Under Nevada law, a non-exempt employee who works more than eight hours in a work day must be paid overtime at one and one-half times the regular rate except in the following situations:

1. Where the employee works four 10-hour days in a workweek by mutual agreement; or

2. Where the employee is paid at a rate not less than one and one-half times the Nevada minimum wage. Note that when making this computation, it is only the Nevada minimum wage that is used – even though in some situations the federal minimum wage will be different.

When these exceptions apply, the employee must be paid overtime only for working more than 40 hours per week. As of July 1, 2020, employees who are not offered qualifying health benefits and earn less than \$13.50 per hour will be eligible for overtime pay for all hours worked in excess of eight hours per day.

### **Penalties For Non-Compliance**

Assembly Bill 456 authorizes an employee who prevails in a civil action for failure to pay minimum wage to recover all legal or equitable remedies appropriate to remedy the violation, including back pay, damages, reinstatement or injunctive relief. The new law also requires a court to award reasonable attorneys' fees and costs to an employee who prevails in such a civil action.

### **Next Steps For Employers**

Nevada employers need to be mindful of the increased minimum wage rates resulting from Assembly Bill 456. If you have any questions, please contact your Fisher Phillips attorney or any attorney in [the firm's Las Vegas office](#).

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*This Legal Alert provides an overview of a specific developing situation. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.*

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