



Nevada Raises Minimum Wage – But is Even More in Store?

Insights

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Since July 1, 2021, employers in Nevada have been required to pay a minimum wage of \$8.75 per hour or \$9.75 per hour depending on whether they offer qualified health benefits. A recent bill passed by the Nevada legislature may also increase the minimum wage for all of Nevada's employees beginning in July 2024. What do you need to know about the changes that have already taken effect – and the ones that may soon come to pass?

Changes to Nevada's Minimum Wage in July 2021

Currently, Nevada has a two-tier minimum wage system that was established by the Minimum Wage Amendment (MWA) to the Nevada Constitution, which went into effect in 2006. Among other things, the MWA allows employers that offer qualified health benefits to employees to pay \$1.00 less per hour than employers that do not offer those benefits to their employees.

In 2019, Nevada's legislature passed [Assembly Bill 456](#) (AB 456), which implemented annual minimum wage increases each July until 2024 as follows:

Effective Date	Qualifying Health Benefits Offered	Qualifying Health Benefits <u>Not</u> Offered
July 1, 2020	\$8.00	\$9.00
July 1, 2021	\$8.75	\$9.75
July 1, 2022	\$9.50	\$10.50
July 1, 2023	\$10.25	\$11.25
July 1, 2024	\$11.00	\$12.00

You should respond to these changes by evaluating employee policies and handbooks and ensuring appropriate changes are made to payroll. Violations of the minimum wage law may entitle an employee to a civil action for back pay, damages, injunctive relief, attorneys' fees, and any other relief that is permitted under the law.

Minimum Wage Increases Will Go On 2022 Ballot

In 2019, the same year AB 456 was passed, the Nevada legislature also introduced a bill – [Assembly Joint Resolution 10](#) (AJR 10) – seeking to amend the Nevada Constitution again and provide for a

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\$12.00 per hour minimum wage. On May 14, 2021, the bill was passed by the second consecutive legislative session allowing the bill to be placed on the 2022 ballot.

If passed, AJR 10 will abolish the two-tiered minimum wage minimum wage system and establish a \$12.00 per hour minimum wage for all Nevada employees beginning July 1, 2024. AJR 10 also provides that the minimum wage in Nevada may not be lower than the federal minimum wage. Accordingly, if the federal minimum wage is raised to \$15.00 per hour, Nevada's minimum wage would also be raised to \$15.00 per hour.

More importantly, if passed, AJR 10 will allow any future increases to the state's minimum wage to be controlled by the legislature as opposed to requiring a constitutional amendment. Critics of AB 456 believed that the law operates as a constitutional amendment because it amends Article 15 of the Nevada Constitution at Section 16, but did not comply with the procedures set forth in the Nevada Constitution for such amendments. With this specific provision, it appears that the Nevada legislature has attempted to circumvent those criticisms by expressly allowing the legislature to increase Nevada's minimum wage. This will allow the Nevada Legislature alone to control the minimum wage in the state.

Conclusion

Fisher Phillips will continue to monitor employment developments in Nevada and provide updates as appropriate. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. For further information, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [Las Vegas office](#).

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