

WHAT EMPLOYERS SHOULD KNOW ABOUT UPCOMING INCREASES TO NEVADA'S MINIMUM WAGE

Insights
Jun 30, 2022

Crank up the air conditioning in your offices and get prepared to increase your Nevada employees' minimum wages. Beginning July 1, employers will be required to pay a minimum wage of \$9.50 per hour or \$10.50 per hour depending on whether you offer qualified health benefits. What do you need to know about the changes taking effect tomorrow – and the impact those changes may have on overtime?

Changes to Nevada's Minimum Wage in July 2022

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](#), which implemented annual minimum wage increases each July until 2024 as follows:

For Employers Offering Qualifying Health Benefits

- July 1, 2020: \$8.00
- July 1, 2021: \$8.75
- July 1, 2022: \$9.50
- July 1, 2023: \$10.25
- July 1, 2024: \$11.00

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For Employers Not Offering Qualifying Health Benefits

- July 1, 2020: \$9.00
- July 1, 2021: \$9.75
- July 1, 2022: \$10.50
- July 1, 2023: \$11.25
- July 1, 2024: \$12.00

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

Impact on Nevada's Overtime Laws

Nevada's overtime laws are connected to its minimum wage laws. In general, Nevada requires employers to pay 1 ½ times an employee's wages if the employee works more than 40 hours in a week or more than eight hours in a 24-hour period, unless otherwise exempted. Daily overtime may not be required when employers and employees agree in advance to an alternate work schedule (*i.e.*, where the employee works 10 hours per day for four days). You should consult with legal counsel, however, to make sure this arrangement is properly documented to ensure compliance.

Based upon the upcoming changes to Nevada's minimum wage, employees making less than the amounts listed below may be entitled to daily or weekly overtime:

Time Period: July 1, 2022 – June 30, 2023

- **Minimum Wage (Lower Tier): \$9.50**
- **1½ Times the Minimum Wage: \$14.25**
- **Minimum Wage (Higher Tier): \$10.50**
- **1½ Times the Minimum Wage: \$15.75**

Time Period: July 1, 2023 – June 30, 2024

- **Minimum Wage (Lower Tier): \$10.25**

- **1½ Times the Minimum Wage:** \$15.38
- **Minimum Wage (Higher Tier):** \$11.25
- **1½ Times the Minimum Wage:** \$16.88

Time Period: After July 1, 2024

- **Minimum Wage (Lower Tier):** \$11.00
- **1½ Times the Minimum Wage:** \$16.50
- **Minimum Wage (Higher Tier):** \$12.00
- **1½ Times the Minimum Wage:** \$18.00

In Nevada, “workday” is defined under the law as a 24-hour period that begins when the employee begins work, and a work week is seven consecutive work periods that begin when the employee starts work. You should also be aware of situations where daily overtime may occur when two consecutive shifts are not scheduled far enough apart. For example, if an employee works an eight-hour shift from 8:00 a.m. until 5:00 p.m., excluding a one-hour meal break during the day while the employee is not performing any work, but is asked to come into work early the next morning at 7:00 a.m., that employee is entitled to an hour of daily overtime if they are not exempt and make less than 1.5 times minimum wage.

You should prepare for these changes by ensuring appropriate changes are made to payroll and employee schedules. If you use third party payroll processing services, make sure they are capturing daily overtime based a rolling 24-hour period, not just based on a per shift basis. Violations of Nevada’s overtime laws may entitle an employee to a civil action against the employer for back pay, damages, injunctive relief, attorneys’ fees, and any other relief that is permitted under the law.

Conclusion

Employers with questions regarding changes to Nevada’s minimum wage and overtime laws are encouraged to reach out to your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [Las Vegas office](#). Fisher Phillips will continue to monitor the employment laws in Nevada and provide updates as appropriate. Make sure you

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