



Dallas Partner Discusses Challenges Employers May Face When Raising Minimum Wage to Combat Inflation

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In an interview with *SHRM*, **John Skousen** shares his insights on why many states are looking raise minimum wages to combat inflation and how this could affect employers.

A higher minimum wage can result in higher payroll taxes for employers. John explains, "the increase of the minimum wage has many effects that may be overlooked, including where the minimum wage is an element in the calculation of other wages or benefits, such as sick pay, overtime exemption thresholds or other statutory entitlements."

"Sometimes, employers fail to take sufficient action to increase the minimum wage on all personal documents or compensation plans where the minimum wage is an element of compensation. Even when such documents have been updated, payroll employees may overlook them or fail to consider the increased minimum wage as a factor in calculating other wages due," John added.

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