

WHAT EMPLOYERS NEED TO KNOW ABOUT MISSOURI'S JANUARY 1 MINIMUM WAGE INCREASE: 3 PRACTICAL TIPS FOR COMPLIANCE

Insights
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Missouri employers might feel confused about the upcoming minimum wage increase set to take effect on January 1. While voters passed Proposition A in 2024 to increase the minimum wage to \$15 per hour and require most employers to provide paid sick leave for certain purposes, Governor Kehoe rescinded the statewide sick time mandate in 2025 and also did away with Proposition A's annual adjustments for inflation. With this will-they-won't-they legal landscape, many Missouri employers may feel lost about what is required of them when the calendar flips to 2026, but have no fear – your FP employment lawyers are here with the scoop on what you need to know.

New Year, New Wage

Missouri's minimum wage will increase by \$1.25 for the second year in a row on January 1, 2026, rising from \$13.75 to \$15.00 an hour. However, because of the new law signed by Governor Kehoe, the rate won't automatically increase for inflation on subsequent January 1sts as originally anticipated. This increase will solidify Missouri as one of the states with the highest minimum wage rates across the country, and is projected to impact one in four Missouri workers.

Does This Apply to Our Business?

Certain categories of employment will be exempt from the increase, including:

- governmental entities like school districts,

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- casual and seasonal employees,
- and retail workers at businesses whose annual gross volume sales are less than \$500,000.

Missouri's minimum wage is currently higher than the federal rate and covered employers need to remember that, when Missouri and federal minimum wages conflict, they must pay employees the higher of the wages.

What Can I Do to Prepare?

The Missouri minimum wage law establishes the minimum wage in Missouri and contains employer recordkeeping and enforcement provisions. Here's a few practical steps to ensure you're in compliance:

1. Before the new year, ensure your hourly positions for employees based in Missouri are adjusted for the minimum wage increase if those folks are currently making below \$15.00 per hour.
2. Update your minimum wage poster to reflect the new rate.
3. Check compliance with tip credits and tip pools, as may be applicable.
4. Consult with legal counsel about any questions you may have about both hourly and non-overtime eligible employees.

Conclusion

Fisher Phillips is here to help employers navigate these changing times. For more information, please contact the authors of this insight, or any of our attorneys in Fisher Phillips' Kansas City office. We will continue to monitor developments and provide updates, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information.

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