

# EMPLOYMENT LAW SUMMARY

## Connecticut: Minimum Wage Laws



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Federal minimum wage law is governed by the Fair Labor Standards Act (FLSA). The current federal minimum wage rate is \$7.25 per hour for nonexempt employees. The Connecticut Minimum Fair Wage Act (MFWA) complements federal law and, in some cases, prescribes more stringent or additional requirements that employers must follow. Whenever employers are subject to both state and federal laws, the law that provides the greater protection to the employee or that sets the higher standard will apply.

The [Division of Wage and Workplace Standards](#), part of the [Connecticut Department of Labor](#) (CDOL), enforces the MFWA and investigates minimum wage violation claims in the state.

## MINIMUM WAGE RATE

The minimum wage rate in Connecticut was set to increase to \$15 per hour by 2023. Under state law, this rate will be adjusted annually to reflect the cost of inflation. New rates will become effective on Jan. 1 of each year. The table below provides an overview of historical minimum wage rates in Connecticut.

Effective Date	Aug. 1, 2021	July 1, 2022	June 1, 2023	Jan. 1, 2024
State rate (per hour)	\$13	\$14	\$15	\$15.69

Under state law, if the federal minimum wage rate increases above the state minimum wage, employers will be required to pay a minimum wage rate of at least 100.5 percent of the federal minimum wage rate, rounded up to the nearest cent.

Wages are generally defined as the entire amount of compensation employees receive for their labor or services. This includes bonuses, commissions and vacation pay. Wages can be fixed or based on time, task, piece, commission or other method.

Employers that provide uniforms to their employees may include certain costs as allowances when calculating an employee's wage rate. The maximum allowance for uniforms or work apparel is \$1.50 per week (or the actual cost if lower) for maintenance, laundering and cleaning. This allowance is not permitted for gloves, boots, aprons or other items of protective clothing used to prevent employee injury or sanitation purposes. Employers must cover the costs of all protective equipment.

## Tipped Employees

Connecticut's hourly minimum wage rate for tipped employees (other than bartenders) is 36.8% of the minimum wage rate. A tipped employee is defined as an individual who is engaged in an occupation in which tips or gratuities are customarily exchanged for services. The rate for bartenders is 18.5% of the minimum wage rate.

Connecticut law allows employers to use these lower rates because it assumes tipped employees and bartenders will receive enough in tips to meet or exceed the state minimum wage rate. Each time this does not happen, however, employers must subsidize their tipped employees' and bartenders' wages so that the workers receive the state minimum wage rate or more.

## Learners, Beginners and Minors

Learners, beginners and minors may be paid a wage as low as 85% of the current minimum wage rate for the first 200 hours of work. After these employees work more than 200 hours, employers must compensate them with wages at or above the minimum wage rate. Some exceptions are possible for employers that obtain an authorization from the CDL.

## Disabled Workers

The CDOL may issue a special license that authorizes an employer to pay subminimum wages to its disabled employees. A disabled employee is an individual whose earning capacity is impaired because of age, injury or mental or physical deficiency. The CDOL sets the terms and conditions for these licenses, including the duration of the license and the subminimum wage rate disabled employees may receive.

To obtain a special license to pay a disabled employee a subminimum wage, an employer send an application to the CDOL. This application must indicate, among other things, the following:

- Each disabled employee's name and address;
- The nature of each employee's disability;
- A description of the duties assigned or proposed to be assigned for each disabled employee;
- The degree of handicap each disabled employee will experience in his or her assigned duties;
- Each disabled employee's proposed subminimum wage rate; and
- Each employee's willingness to accept a modified hourly rate subject to approval.

In the case of mental disability, employers must obtain the acknowledgement and acceptance of the employee's legal guardian. The CDOL may order an employer to pay a wage rate equal to or higher than the state minimum wage rate to a disabled employee if the employer violates the terms and conditions of a disabled worker license.

# MINIMUM WAGE RATE EXEMPTIONS

Connecticut's minimum wage rate requirements do **not** apply to:

- Bona fide executive, administrative and professional employees;
- Outside sales personnel;
- Casual babysitters;
- Domestic employees;
- Seasonal camp and resort employees (camp or resort open for up to six months of the year);
- Volunteers working for educational, charitable, religious, scientific, historical, literary or nonprofit organizations;
- Head residents or resident assistances working for a college or university; or
- Individuals working for a nonprofit theater that does not operate for more than seven months during the year.

## NOTICE AND POSTING REQUIREMENTS

At the time of hire, employers must provide written notice of each employee's wage rate, hours of employment and paydays. Employers must also make certain information available to their employees by either providing it to them in writing or posting it in their workplaces. This information includes the state's current minimum wage rate and the employer's practices and policies regarding wages, vacation pay, sick leave, health and welfare benefits and comparable matters.

In addition, the MFWA requires employers to post [Section 31-66 of the Connecticut General Statutes](#) and the current minimum wage rate in a place where employees regularly pass by and can easily read it.

## PROHIBITED PRACTICES

The MFWA prohibits employers from discriminating against employees in the payment of wages, retaliating against employees that report minimum wage violations and interfering with a wage investigation.

### Discrimination and Retaliation

Employers may not pay men and women differently for work that requires equal skill, effort and responsibility and that is performed in similar conditions. However, employers may pay different wages based on seniority, merit, production, education, training, experience or any other bona fide factor other than sex.

Employers may not discharge, discipline, penalize or in any other manner discriminate against an employee because he or she files a claim for or causes an investigation of the employer's wage payment practices. The same applies to individuals who participate in a CDL wage investigation.

### Interfering with an Investigation

The CDOL has authority to enter an employer's premises during usual business hours in order to evaluate whether the employer is in compliance with the MFWA. Upon its request, employers must allow the CDL to examine their payroll and other records, interview their personnel, call hearings, administer oaths, take testimony under oath and take depositions.

## PENALTIES

Employers that violate Connecticut's minimum wage laws may face the following penalties.

### Administrative Fines

The CDL may impose the following fines on employers that violate the MFWA:

- **Between \$100 and \$400** for retaliating against an employee; and
- **Between \$100 and \$250** for willfully failing to provide time and wage records, refusing to admit CDL officials or in any other way hindering or delaying a CDL wage investigation.

Each day of violation is a separate offense.

### Civil Penalties

Employers that pay wages lower than the minimum wage rate to their employees may be sued in civil court. In a civil lawsuit, employees may recover up to twice the full amount of the minimum wages they should have been paid, less any amount they were actually paid, plus interest and reasonable attorney's fees. An agreement between an employer and employee for wages below the minimum wage rate is not a valid defense in these lawsuits.

The CDOL may also impose civil fines on employers that fail to pay at least the minimum wage. These fines may be assessed for each individual employee who adversely affected by an employer's violation.

If the CDOL intends to impose a civil penalty on an employer, it will send a "Notice of Violation and Opportunity to Show Cause" and a "Notice to Employer – Unpaid Wages Due" statement. If an employer wishes to contest a penalty assessment, it must notify the CDOL within 21 days of when the statement was mailed. The CDOL will determine at its discretion whether an employer has stated adequate facts or sufficient documentation to warrant a hearing. The CDOL also has sole discretion to determine final penalty amounts. In the absence of a hearing, a penalty assessment becomes the final penalty amount.

## Criminal Penalties

Criminal penalties for violating the MFWA include fines, imprisonment or both. The maximum fine and term of imprisonment depend on the amount of unpaid wages tied to a violation.

Unpaid Wages	Fine	Imprisonment Term
\$500 or less	\$400-\$1,000	Up to three months
\$500-\$1,000	\$1,000-\$2,000	Up to six months
\$1,000-\$2,000	\$2,000-\$4,000	Up to one year
\$2,000 or more	\$4,000-\$10,000	Up to five years

## MORE INFORMATION

Contact Heffernan Insurance Brokers for more information on wage payment and work hour laws in Connecticut.

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