

Employment Law Summary

Nevada Minimum Wage Laws



Because You're Different

The federal Fair Labor Standards Act (FLSA) regulates minimum wage, overtime pay and work hour requirements for most employees. Under the FLSA, the current federal minimum wage rate is \$7.25 per hour for nonexempt employees. Nevada's minimum wage laws complement federal law and, in some instances, provide more stringent requirements that employers in the state must follow. Under the FLSA, whenever federal and state standards apply, employees are entitled to enforce the standard that provides the most protection or the greater benefit.

The [Nevada Labor Commission \(NLC\)](#) monitors and enforces compliance with the state's minimum wage laws throughout the state.

Minimum Wage

The minimum wage rate in Nevada varies depending on whether the employer offers certain health benefits to employees. However, on Nov. 8, 2022, voters in Nevada [approved](#) an amendment to the state constitution that sets the state's minimum wage rate to \$12 per hour starting on July 1, 2024. The ballot measure, also known as [State Question No. 2](#), amends the state constitution to increase the minimum wage rate for all employees in Nevada to \$12 per hour by July 1, 2024, regardless of whether they receive health benefits.

Effective Date	July 1, 2022	July 1, 2023	July 1, 2024
Offers Health Benefits	\$9.50	\$10.25	\$12
Does Not Offer Health Benefits	\$10.50	\$11.25	\$12

If future amendments are considered, the amendments approved on Nov. 8 also prohibit the state minimum wage rate from being lower than \$12 per hour. State Question No. 2 also stipulates that employers are to pay their employees the federal minimum wage rate if the federal rate becomes higher than the state rate.

Finally, under state law, it is unlawful to employ or contract employees for wages below the rates described above.

Tipped Employees

State law does not allow employers to count an employee's tips or gratuities towards any portion of the employee's minimum wage. As a result, employers in Nevada must pay tipped employees wages at or above the state minimum wage rate.

However, state law allows tipped employees to enter into tip pooling agreements where they divide tips and gratuities among themselves.

Minimum Wage Exceptions

State minimum wage requirements do not apply to individuals who are:

- Under the age of 18;
- Employed by a nonprofit organization for after-school or summer employment;

- Employed as a trainee for a period not longer than 90 days, as described in the FLSA;
- Employed under a valid collective bargaining agreement in which wage, tip credit or other provisions set forth in Section 16 of Article 15 of the Nevada Constitution have been waived in clear and unambiguous terms;
- Employed by a charitable organization (must be tax-exempt under 26 U.S.C. § 501(c)(3)) that provides jobs and day training services under an authorized program for individuals with an intellectual or developmental disability; or
- Independent contractors.

Qualified Health Benefits

Employers may offer a lower minimum wage rate to their employees if they also offer these employees qualified health insurance benefits. Employers must make available or provide these benefits **within six months** of employment or pay the higher minimum wage rate until employee coverage under a qualifying health insurance plan becomes effective. The term of the waiting period may be modified in a bona fide collective bargaining agreement if the modification is explicitly set forth in such agreement in clear and unambiguous terms. Health insurance benefits qualify for the lower minimum wage rate if they provide coverage for:

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- Mental health and substance use disorder services, including behavioral health treatment;
- Prescription drugs;
- Rehabilitative and habilitative services and devices;
- Laboratory services;
- Preventive and wellness services and chronic disease management;
- Pediatric services, which are not required to include oral and vision care; and
- Any other health care service or coverage level required to be included in an individual or group health benefit plan pursuant to any applicable provision of [Title 57 of Nevada's revised statutes](#).

Qualified health insurance benefit plans must also provide a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 60% of the full actuarial value of the benefits provided under the plan.

Alternative qualifications apply to health benefits under a Taft-Hartley trust, hospital-indemnity insurance plans and fixed-indemnity insurance plans.

Employers must document and keep a record of employees who decline coverage under a qualifying health insurance plan offered to them. Declining coverage may not be a term or condition of employment.

Meal and Lodging Credits

If there is mutual agreement, employers may consider some employee meal costs as part of their employees' wages. These meal credits may be up to:

- 100% of the minimum hourly wage per day;
- 25% of the minimum hourly wage for each breakfast actually consumed;
- 25% of the minimum hourly wage for each lunch actually consumed; and
- 50% of the minimum hourly wage for each dinner actually consumed.

Similarly, if there is mutual agreement, employers may consider some employee lodging costs as part of their employees' wages. However, lodging costs may not exceed five times the statutory minimum hourly wage for each week that lodging is provided to the employee.

Some exceptions apply to agricultural employees.

Uniforms

Employers must provide their employees with all uniforms at no cost to employees. Employers must also cover uniform cleaning costs if a specialized cleaning process is required and the items cannot be easily laundered by employees.

“Uniform” means distinctive clothing or accessories distinctive as to style, color or material that an employee is required to wear and serves as a clear means of identifying the employee with the business.

Travel and Training

State law requires employers to compensate their employees at a rate that is at least equal to the state’s minimum wage rate for any travel or training that is considered time worked. “Time worked” includes any time an employee is:

- Traveling between different worksites during a workday; or
- Providing transportation for another employee on behalf of an employer who offers transportation for the convenience of his employees.

Commuting is not considered to be time worked by the employee if the travel is between the home of the employee and the place of work of the employee, regardless of whether the employee works at a fixed location or at different places of work.

Time spent on training is considered “time worked” if the training is required by the employer. Training is not “time worked” if it is required by an agency or entity other than the employer, regardless of whether the training enables the employee to maintain eligibility for employment in a particular capacity or at a particular level.

Minimum Wage for Employees With Disabilities

Employers must compensate workers with disabilities with wages that are at least equal to the state’s minimum wage rate unless they are authorized to pay subminimum wages by a special minimum wage certificate issued by the Rehabilitation Division of the Nevada Department of Employment, Training and Rehabilitation or the U.S. Department of Labor. “Workers with disabilities” describes individuals whose productive capacity for the work to be performed is impaired by a physical or mental disability to the extent that they are unable to earn at least the minimum wage prescribed for them.

Certificates

Special minimum wage certificates specify the terms and conditions under which they are granted. Workers with disabilities may be paid a special minimum wage only while their certificates are effective. Employers must comply with these terms and conditions while they employ workers subject to these certificates.

Employers must inform each worker with a disability and, where appropriate, their parents or guardians of the terms and conditions of their certificates. Employers may provide this information verbally or in writing. Employers must also provide each worker with a disability with a brief statement of certificate terms each time their paycheck is issued.

Special minimum wage certificates must be renewed before they expire to remain valid and may be revoked when employers violate their terms and conditions.

Required Poster

Nevada requires employers to conspicuously post and keep posted on the premises a summary of the state’s minimum wage laws. The poster must be displayed in an area where employees may easily access it. The NLC has published an [official poster](#) employers can use to satisfy this requirement.

Pay Discrimination

State law prohibits employers from discriminating between employees who work in the same establishment on the basis of sex. Pay discrimination occurs when employers pay lower wages to employees of one sex when these employees and employees of the opposite sex perform equal work. “Equal work” refers to work that requires equal skill, effort and responsibility and is performed under similar working conditions.

However, an exception to this law allows employers to pay different wages for equal work under:

- A seniority system;
- A merit system;
- A compensation system under which wages are determined by the quality or quantity of production; or
- A wage differential based on factors other than sex.

Employers may not reduce the wages of any employee in order to comply with this law.

Enforcement

Employers may not willfully refuse or neglect to pay employee wages that are due and payable when demanded. Similarly, employers may not falsely deny:

- The amount or validity of employee wages;
- The amount is due with the intent to secure any discount upon their obligation to pay wages in full; or
- The amount is due with the intent to annoy, harass, oppress, hinder, delay or defraud the person to whom wages are owed.

Employers may not discharge, penalize, induce or attempt to induce employees to refrain from testifying in any wage investigation or proceeding. Inducing or attempting to induce employees to refrain from testifying may include (but is not limited to) force, intimidation and threat of procuring dismissal from employment.

Penalties

Minimum wage violations in Nevada are charged as misdemeanors. Misdemeanors are criminal charges that are generally punishable by a fine, imprisonment or both. In addition, employers that violate minimum wage laws in Nevada may be required to pay an administrative penalty of up to \$5,000 per violation in addition to any other remedy or penalty the NLC may impose.

Civil Actions

In addition to criminal and administrative penalties, employers that violate minimum wage laws may be subject to civil lawsuits. Civil lawsuits must be brought within two years of the alleged violation. Any contract to pay employees wages below the minimum wage rate is invalid and will not protect employers in these lawsuits.

Employees who prevail in civil actions against their employers are entitled to all remedies available under the law or in equity appropriate to remedy the violation. These remedies may include but are not limited to back pay, damages, reinstatement or injunctive relief, and reasonable attorney's fees and costs.

More Information

Contact Heffernan Insurance Brokers for more information on labor and employment laws in Nevada.

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