

EMPLOYMENT LAW SUMMARY

Ohio Minimum Wage and Wage Payment Laws

Federal minimum wage law is governed by the Fair Labor Standards Act (FLSA). The current federal minimum wage is \$7.25 per hour for nonexempt employees. Ohio's Minimum Fair Wage Standards Law (MWL) complements federal law and, in some cases, prescribe additional requirements that employers must follow. When federal and state wage laws are different, the standard that is more favorable to the employee applies.

[The Ohio Department of Commerce](#) (ODOC) enforces minimum wage standards and investigates claims of violations.

Minimum Wage Rate

The minimum wage in Ohio applies to employers that gross at amount that is at least equal to a threshold that is set up annually. Employers that gross less than the threshold must pay their employees a minimum wage rate that is at least equal to the federal rate. In addition, any employer in Ohio may pay the federal minimum wage rate to employees who are under 16 years of age.

The table below provides information about the state's minimum wage rate and the applicable threshold.

	Jan. 1, 2020	Jan. 1, 2021	Jan. 1, 2022	Jan 1, 2023	Jan. 1, 2024
State of Ohio	\$8.70	\$8.80	\$9.30	\$10.10	\$10.45
Tipped Employee	\$4.35	\$4.40	\$4.65	\$5.05	\$5.25
Threshold	\$319,000	\$323,000	\$342,000	\$372,000	\$385,000

Tipped Employees

A tipped employee includes any employee who engages in an occupation in which the employee customarily and regularly receives more than \$30 per month in tips. The MWL allows employers to use a tip credit of no more than 50% of the minimum wage rate to reduce a tipped employee's hourly pay. This is because the law assumes that the employee's tips will offset the difference between the cash wage and the minimum wage rate, enabling the employee to receive wages at or above the minimum wage rate.

State law requires employers that use the tipped employee minimum wage rate to be able to show that the combination of their tipped employees' tips and cash wage is at or above the state's minimum wage rate.

Exceptions

Minimum wage rate exceptions do **not** apply to employees who:

- Work for a family-owned and family-operated business and who are directly related to the business owner;
- Have mental or physical disabilities that adversely affect their opportunity for employment in the labor market (provided that a lower minimum wage does not violate the Americans with Disabilities Act); or
- Have been hired as apprentices at a rate equal to **at least 85%** of the applicable minimum wage rate. Employers may hire apprentices at a lower minimum wage rate only if they have obtained an apprenticeship license. These licenses are valid for a period of **up to 90 days**.

Required Posting

Employers must post a summary of the state's minimum wage laws in a place that is conspicuous and accessible to all employees.

Frequency of Payments

Employers must pay their employees at least semi-monthly, by the first and the 15th day of each month for every preceding, completed work period. Employers may also choose to pay employees on a weekly basis. However, some employers may pay less frequently if they belong to a trade, profession or occupation that customarily pays wages with a longer time lapse, or if the parties agree in a written contract to receive payments less frequently.

Last Payment of Wages

If an employee is terminated and not present for final compensation, the compensation is due to the employee whenever the employee demands the payment, at the place where wages are customarily paid, such as the employer's workplace.

Withholdings and Deductions

Employers may not withhold any portion of an employee's wages, unless the deduction or withholding is authorized by law. Examples of authorized withholdings include federal and state income taxes and deductions for participation in employer-provided employee benefit programs. In addition, the law does not permit wage assignments unless they have been authorized by a court of law for the maintenance and support of the employee's spouse or child.

Hour of Work

Employees must be paid for all hours worked. However, employers are not required to pay in full for hours employees are on call. Workers should also be paid for hours worked outside of their regular work shift if the work is a part of the principal duties for which the worker is employed and not specifically prohibited by the employer.

Some professions have maximum hours individuals may work within one workweek. The following table summarizes professions with work hour restrictions:

Profession	Hour Restriction
Mechanical, Manufacturing and Mining	A work day may consist of a maximum of eight hours unless specifically agreed otherwise in a contract.
Firefighters	In any eight-day period, a firefighter may work 24 hours on duty followed by 24 hours off duty, as long as no firefighter is on duty for more than 72 hours.
State-Aided Public Projects	Employees can only work eight hours per day and a maximum of 48 hours per week when completing any public project.
School Employees	The standard work week for all non-teaching employees of school districts is 40 hours.
State Colleges or Universities	The standard work week is 40 hours for all employees whose salary or wage is paid in whole or in part by the state or by any state-supported college or university. Employees must be paid one and one-half times their regular rate for work over 40 hours, unless otherwise specified.
Railroads	Any company operating a railroad over 30 miles in length or any company operating a street railway over four miles in length may not allow a conductor, fireman, engineer, brakeman, trainman or telegraph operator who has worked for 15 consecutive hours to work until that employee has received at least eight consecutive hours of rest. These employees must be guaranteed eight hours of rest in each 24-hour period.

Enforcement

Employers must maintain complete and accurate records and cooperate with the ODOC in any investigation of an alleged violation. An employer may be charged with a fourth-degree misdemeanor if it hinders or delays an investigation, falsifies or destroys records, or otherwise prevents the ODOC from performing its duties. A fourth degree misdemeanor is punishable by **imprisonment for up to 30 days, a fine of up to \$250 or both.**

An employer may be charged with a third-degree misdemeanor if it fails to pay employees or agrees to pay individuals at a rate less than the applicable minimum wage rate. A third-degree misdemeanor is punishable by **imprisonment for up to 60 days, a fine of up to \$500 or both.** Each week the employer remains in violation is a separate offense.

Finally, employers may not retaliate against an employee because he or she has made any complaint or is about to institute any proceeding with the ODOC regarding proper wage payment. In addition, employers may not retaliate against employees for filing a complaint or testifying in any proceeding regarding discrimination in wage payment. Retaliating against an employee is a misdemeanor in the third degree, punishable by **imprisonment for up to 60 days, a fine of up to \$500 or both.**

More Information

Contact Heffernan Insurance Brokers for more information on Ohio's wage laws.

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