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Nevada Labor Commissioner announces post-election minimum wage and overtime changes

LAS VEGAS – With the passage of the Constitutional Amendment changing Nevada's minimum wage law, Nevada Labor Commissioner Michael Tanchek announced changes in requirements for minimum wage and overtime affecting Nevada employers.

“With the new law going into effect on November 28th, it is essential to get information concerning the changes out to employers as soon as possible,” Tanchek said.

The amendment sets up a two-tiered minimum wage system for Nevada. Employer's who make a qualified health insurance plan available to their employees can pay a minimum wage of \$5.15 per hour. Employers who don't make a qualified plan available will have to pay at least \$6.15 per hour. A qualified plan has to provide coverage for the employees and their dependents and the cost to the employee cannot exceed 10% of the employees gross taxable income.

The amendment increases the number of employees who are entitled to be paid minimum wage. According to Tanchek, the only exemption allowed under the new amendment is for employees who are under the age of eighteen who are employed by nonprofit organizations for after school or summer employment or employed as trainees for a period not longer than 90 days. Employers who hire employees who were previously exempt under the statutes will need to make

the necessary payroll adjustments. Domestic service employees, outside salespersons, agricultural employees, taxicab and limousine drivers, and casual baby sitters will no longer be exempt from the minimum wage. In addition, the special minimum wage for severely handicapped persons with certificates issued by the Rehabilitation Division of the Department of Employment, Training and Rehabilitation was not included among the exemptions.

“While that amendment didn’t set any minimum wage for the after school, summer employment, or trainee exemption, the federal government does have such a rate and employers will still need to follow the federal guidelines for those employees,” Tanchek said.

Another significant change resulting from the new amendment is to increase the coverage of Nevada’s daily overtime requirement. Employee’s who are paid less than one and a half times the minimum wage must be paid overtime when they work more than eight hours in a workday.

Employees who are offered a qualifying health insurance plan will be entitled to daily overtime if they make \$7.725 or less per hour. However, employees who are not offered a qualifying plan will have to be paid overtime on a daily basis if their hourly rate is less than \$9.225 per hour.

“Now that the minimum wage is set by the people under the Constitution rather than the Labor Commissioner under the statutes, we need to follow the Constitution,” Tanchek said.

For more information, log on to www.leg.state.nv.us/NRS/NRS-608.html.

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