

# Small Business Notes

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## **January 1, 2020 Is Effective Date for New Minnesota Minimum Wage Rates; Minneapolis and Saint Paul Rates Effective January 1, 2020 or July 1, 2020 Depending on Business Size**

State of Minnesota:

- \$10 per hour for large employers (those with annual gross revenues of \$500,000 or more)
- \$8.15 per hour for small employers (those with annual gross revenues of less than \$500,000)
- \$8.15 per hour training wage rate for the first 90 days of employment of employees younger than 20 years of age.
- \$7.15 per hour youth age rate for employees younger than 18 years of age.

The City of Minneapolis will have new wage rates effective July 1, 2020:

- \$13.25 per hour for employers with more than 100 employees.
- \$11.75 per hour for employers with 100 or fewer employees.

The City of Saint Paul will have new wage rates effective January 1, 2020 and July 1, 2020:

- \$12.50 per hour for employers with 10,000 or more employees. Effective January 1, 2020.
- \$11.50 per hour for employers with 100 to 9,999 employees. Effective July 1, 2020.
- \$10.00 per hour for employers with 6 to 99 employees. Effective July 1, 2020.
- \$9.00 per hour for employers with 5 or fewer employees. Effective July 1, 2020.

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## U.S. Department of Labor Releases New Rule on “Joint-Employer” Standard

On January, 12, 2020 the U.S. Department of Labor released the text of its new standard on determining whether a business is a joint employer of another businesses’ workers. The issue is significant for franchise businesses and businesses which use workers out-sourced from other firms, such as for janitorial and maintenance work.

The new rule replaces an Obama-era rule which was rescinded by the Trump administration in June of 2017. That rule made it easier for employees to claim joint employee status on wage and hour issues.

The new rule, which will be effective March 16, 2020, imposes a four part test to determine if a business is a joint employer:

- Whether the business hires or fires the worker;
- Whether the business to a substantial degree supervises and controls the employee’s work schedule;
- Whether the business determines the employee’s rate of pay and method of payment;
- Whether the business maintains employment records on the employee.

It is significant to note that the National Labor Relations Board (NLRB) is developing a proposed rule to limit shared responsibility for collective bargaining and unfair labor practices. The federal Equal Employment Opportunity Commission has announced it is working to determine the effect of joint employer status on issues of workplace harassment and discrimination.

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Past issues of Small Business Notes are available on the Department of Employment and Economic Development website at [Small Business Notes](#)

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