

July 10, 2008

Federal Minimum Wage Increase Takes Effect July 24

On July 24, 2008, a minimum wage increase to \$6.55 an hour will go into effect for all prevailing wage rate employees, also known as Federal wage employees.

Section 7102 of the Fair Minimum Wage Act of 2007 amended the Fair Labor Standards Act (FLSA) of 1938, and provided that:

- Effective July 24, 2007, employees will not be paid less than \$5.85 an hour;
- Effective July 24, 2008, employees will not be paid less than \$6.55 an hour; and
- Effective July 24, 2009, employees will not be paid less than \$7.25 an hour.

The Fair Minimum Wage Act of 2007, and the Small Business and Work Opportunity Tax Act of 2007, were contained in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110-28, May 25, 2007).

The minimum wage increase applies to all prevailing rate employees covered by 5 U.S.C. 5342(a)(2) and 5348. Prevailing rate employee is defined in 5 U.S.C. 5342(2).

For more information, refer to <https://www.opm.gov/oca/compmemo/2007/2007-07.asp>.

This Federal minimum wage increase doesn't supersede Wisconsin's minimum wage rate. Wisconsin's rate of \$6.50 an hour was established on June 1, 2006 in [DWD 272.03\(1m\)\(a\)](#).

The employer is still bound to comply with both laws. Since the \$6.55 federal rate will be higher than Wisconsin's \$6.50 rate, any employer paying \$6.55 will automatically be complying with both laws.

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