



Minimum Wage Increase to Take Effect on July 24, 2009

Client Advisories

07.15.2009

Coming at a difficult time for many employers in this economy, the final leg of a three-step increase to the Federal minimum wage is to take effect on **July 24, 2009**. On that date, the minimum wage rate will increase to \$7.25 per hour. All United States employers must pay at least this amount. And, as explained below, several States outside the Delaware Valley have even higher minimum wage rates.

On May 24, 2007, Congress approved the Federal Minimum Wage increase, and the bill was signed by former President Bush. The bill, which was the first increase to the minimum wage since 1997, provided for the minimum wage to increase over a three-year period. Specifically, on July 24, 2007, the minimum wage increased from \$5.15 to \$5.85; on July 24, 2008, it increased from \$5.85 to \$6.55; and finally, on July 24, 2009, the minimum wage is set to increase from \$6.55 to \$7.25.

As a result of the upcoming increase, many states will have a mandated minimum wage rate that is lower than the Federal minimum wage; however, employers are required to pay whichever is the highest: Federal or state. Therefore, effective July 24, 2009, thirty-seven (37) states - including PA, NJ, DE and NY - will all have the same minimum wage of \$7.25 per hour.

Thirteen (13) states and Washington, D.C., have minimum wage rates higher than Federal minimum wage. These minimums range from \$7.28 per hour to \$8.55 per hour (in Washington State).

The increase does not come at the best time for many employers. The increase is mandatory, however, and a failure to comply with the new minimum wage carries significant penalties. In addition to having to pay the shortfall, employers who fail to comply with the minimum wage increase can also be subject to liquidated (double) damages, and administrative penalties. In private lawsuits, a losing employer may be required to pay the prevailing employee's attorney's fees.

If you have any questions about the minimum wage increase, please contact a member of Archer's Labor Employment Department at (856)-795-2121.

DISCLAIMER: This client advisory is for general information purposes only. It does not constitute legal advice, and may not be used and relied upon as a substitute for legal advice regarding a specific legal issue or problem. Advice should be attained from a qualified attorney licensed to practice in the jurisdiction where that advice is sought.

Related Services

- Labor & Employment

© 2025 Archer & Greiner, P.C. All rights reserved.

