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Congress Increased Minimum Wage (2010)

Richard Stokes
Municipal Technical Advisory Service

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THE UNIVERSITY of TENNESSEE
MUNICIPAL TECHNICAL ADVISORY SERVICE

...in cooperation with the Tennessee Municipal League

#203
HOT topic

November 10, 2010

CONGRESS INCREASED MINIMUM WAGE

Richard L. Stokes, PHR, IPMA-CP, Human Resource Consultant

After many hours of wrangling in the federal legislature, President Bush signed a spending bill that, among other things, amended the Fair Labor Standards Act (FLSA) to increase the federal minimum wage in three steps. The first increase was effective July 24, 2007 and raised the minimum wage from $5.15 per hour to $5.85 per hour. The second increase became effective July 24, 2008, and raised the minimum from $5.85 per hour to $6.55 per hour. The final increase, effective July 24, 2009, increased the minimum wage from $6.55 per hour to $7.25 per hour.

The bill, "The Fair Minimum Wage Act of 2007," was first introduced on January 5, 2007. It passed the House on January 10, 2007, and the Senate on February 1, 2007. Congressional Democrats pushed the increase through by tying it to a military spending bill. Earlier attempts to pass it failed, as the House and Senate tried to attach different business tax breaks to the proposed bill. The bill was finally signed by the President on May 25, 2007.

A separate provision of the bill required phased increases to the minimum wage in the Commonwealth of the Northern Mariana Islands (CNMI) and American Samoa, with the goal of bringing the minimum wage in those locations up to the general federal minimum wage over several years.

For further information about the Fair Labor Standards Act, feel free to contact either MTAS Human Resource Consultants Bonnie Jones or Richard Stokes at (615) 532-6827, or visit the Department of Labor's Wage and Hour Division Web site at http://www.dol.gov/.

MUNICIPAL TECHNICAL ADVISORY SERVICE

Knoxville (Headquarters) . . . (865) 974-0411
Johnson City . . . . . (423) 854-9882
Jackson . . . . . (731) 423-3710
Nashville . . . . . (615) 532-6827
Martin. . . . . (731) 881-7055

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