



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT AND WORKFORCE DEVELOPMENT

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July 23, 2007

Workforce Investment Act Memorandum Number E&T 07-33

Topic: Federal Minimum Wage Increase

Subject: Changes in Minimum Wage Increase for 2007 affecting paid work experience and Title V

Purpose: The purpose of this memorandum is to provide the Local Workforce Investment Areas (LWIA's) and Title V providers with the recent legislation on the Federal Minimum Wage increase.

Background: On Thursday, May 24, 2007, Congress approved the Federal Minimum Wage increase to take effect two months from the day of the signing by the President. On July 24, 2007 the new rate will take effect and employers must comply. This is the first increase since 1997.

The rate will be increased in three increments. The first increase of .70 cents will occur on July 24, 2007 making the new minimum wage \$5.85 per hour. Another .70 cent increase in 2008 will again increase the minimum wage to \$6.55 per hour. Finally an increase of .70 cents to \$7.25 per hour will occur by summer of 2009.

Instructions: All Workforce Investment Act and partner programs must comply with the recent legislation outlined above, effective July 24, 2007.

Due to the new minimum wage increase, programs are also required to post an updated federal minimum wage poster advising employees of the increase. As such, it is a good time to review your compensation practices and ensure compliance with the law.

The minimum wage poster link can be found on www.laborlawcenter.com/federal

Contact: Questions concerning this memorandum should be directed to Susan Cowden or Tyrone Parker at 615.741.1031

Effective Date: July 1, 2007 (for the first increment)

Expiration Date: Indefinite

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