

SUMMARY OF TEXAS MINIMUM WAGE ACT

CHAPTER 62 - TEXAS LABOR CODE

The Texas Minimum Wage Act, Chapter 62 of the Texas Labor Code, as amended, establishes a minimum wage for non-exempt employees. The current provisions of the Texas Minimum Wage Act are found in Chapter 62 of the Texas Labor Code. It requires covered employers to provide each employee with a written earnings statement containing certain information about the employee's pay. It designates the Texas Workforce Commission (TWC) as the agency responsible for disseminating information about the Act. It contains elaborate provisions concerning agricultural piece rate workers. It exempts a laundry list of employers from its coverage. Finally, the Act provides civil remedies for its violation.

Texas adopts the federal minimum wage rate by reference, thus any changes affecting the federal minimum wage will automatically affect the Texas minimum wage for all intended purposes.

- **Effective July 24, 2009, the federal minimum wage increased to \$7.25 an hour.**

The Act does not prohibit employees from bargaining collectively with their employers for a higher wage. With specified restrictions, employers may count tips and the value of meals and lodging toward minimum wage. An employer need not pay an employee who lives on the business premises for on-call time in addition to assigned working hours. Under certain conditions, a sub-minimum wage may apply to a patient or client of the Texas Department of Mental Health and Mental Retardation or to other individuals due to age or productive impairments.

The information employers must provide employees on a written earnings statement is geared to enable employees to determine from a single document whether they have been paid correctly for a given pay period. The TWC is charged with making employers and employees aware of their respective rights, duties, and remedies under the Act.

The Commissioner of Agriculture is authorized to establish piece rates for agricultural commodities commercially produced in substantial quantities in Texas if sufficient productivity information is available. The piece rates are supposed to guarantee at least minimum wage for harvesters of average ability and diligence while allowing harvesters to earn more by producing more. The Act provides a procedure for contesting an established piece rate.

The primary exemption from the Act is for any person covered by the federal Fair Labor Standards Act (FLSA). Other specific exemptions include employment in, of or by religious, educational, charitable, or nonprofit organizations; professionals, salespersons or public officials; domestics; certain youths and students; inmates; family members; amusement and recreational establishments; non-agricultural employers not liable for state unemployment contributions; dairying and production of livestock; and sheltered workshops.

An employee has two years from the date the wages were due for payment to file a lawsuit to recover the unpaid wages plus an additional equal amount as liquidated damages. The employer can be assessed reasonable attorney's fees and court costs.