

# THE INSIDE PERSPECTIVE

LABOR AND EMPLOYMENT LAW SOLUTIONS FOR EXECUTIVES AND HR PROFESSIONALS



SMITH MOORE LLP  
ATTORNEYS AT LAW

February 2007

## “Upping the Ante” – An Increase in the Minimum Wage

Ready for another increase in the minimum wage? On the heels of a January 1 bump by the North Carolina legislature in this *state's* minimum wage from \$5.15 to \$6.15, both houses of Congress passed bills in February that would increase the *federal* minimum wage to \$7.25. The increase would be the first in a decade and would come at a time when only an estimated 2.2% of hourly paid workers – many of them women and Southerners – still receive \$5.15 per hour or less.

A number of states, in addition to North Carolina, have already raised the minimum wage within their borders. Pending federal legislation would restore uniformity across states.

Although the U.S. House of Representatives and the Senate have not yet agreed on a compromise bill, some common elements from each chamber will almost certainly remain in the final version:

- The increase will likely come in two stages over the next two years.
- The new law apparently will include some form of tax relief for small businesses. Both the House and Senate bills include measures designed to offset the costs that small businesses would incur to pay the higher wages. The current Senate bill creates tax breaks of \$8.3 billion, while the House version proposes a \$1.3 billion break over ten years.

The Senate's minimum wage bill includes other provisions that go beyond employee compensation. For example: one Senate provision would bar employers who violate federal immigration laws from receiving federal contracts and grants for up to ten years.

The President has publicly announced his support for a minimum wage increase coupled with tax relief for small businesses.

# TIP

February's legislative actions indicate that 2007 will bring further increases to the minimum wage. Plan for an increase as you budget for wage adjustments and overtime needs in the months ahead.



TIP Author - Afi Johnson-Parris  
Smith Moore LLP  
Labor and Employment Team  
Greensboro Office

### Labor and Employment Team Members

Allen Buckley	(404) 962.1042	Alex Maultsby	(336) 378.5331
Laura Deddish Burton	(336) 378.5566	Jerry Oliver	(919) 755.8710
Will Burton	(336) 378.5421	Patti Ramseur	(336) 378.5304
Denise Smith Cline	(919) 755.8734	Barbara Ruby	(336) 378.5294
Martin Erwin	(336) 378.5327	Beth Brooks Scherer	(919) 755.8790
Afi Johnson-Parris	(336) 378.5243	Ed Sharp	(336) 378.5259
Mike Kelly	(336) 378.5336	Julie Theall	(336) 378.5256
Caroline Lock	(336) 378.5341	Jeri Whitfield	(336) 378.5270
Travis Martin	(336) 378.5277		

To send individual email: [firstname.lastname@smithmoorelaw.com](mailto:firstname.lastname@smithmoorelaw.com)

For additional information on this or any other labor and employment topic, please contact any member of the Labor and Employment Team.

The firm restricts its practice in the labor and employment area to the representation of management.

#### ATLANTA

One Atlantic Center  
Suite 3700  
1201 West Peachtree Street  
Atlanta GA 30309  
404.962.1000  
404.962.1200 (FAX)

#### CHARLOTTE

Charlotte Plaza  
201 S. College Street  
Suite 110  
Charlotte NC 28244  
704.384.2600  
704.384.2800 (FAX)

#### GREENSBORO

300 N. Greene Street  
Suite 1400  
Greensboro NC 27401  
336.378.5200  
336.378.5400 (FAX)

#### RALEIGH

2800 Two Hannover  
Square  
Raleigh NC 27601  
919.755.8700  
919.755.8800 (FAX)

#### WILMINGTON

300 N. 3rd Street  
Suite 301  
Wilmington NC 28401  
910.251.7001  
910.251.7007 (FAX)