
Farm Employers and the Minimum Wage

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In May, 2007, President George W. Bush signed into law legislation which increased the federal minimum wage for the first time since 1997. On July 24, 2007, the federal minimum wage increased from \$5.15 per hour to \$5.85 per hour. **The federal minimum wage increases again, on July 24, 2008, to \$6.55 per hour.**

<u>Time Period</u>	<u>Minimum Wage (per hour)</u>
Prior to July 24, 2007	\$5.15
July 24, 2007 – July 23, 2008	\$5.85
July 24, 2008 – July 23, 2009	\$6.55
July 24, 2009 and after	\$7.25 (under current legislation)

Fair Labor Standards Act

The Fair Labor Standards Act of 1938 controls administration of federal minimum wage law. The determination of whether or not a farm employer is subject to federal minimum wage law with respect to his employees is based on the number of "Man Days" of labor used on the farm in a calendar quarter. Agricultural employers who did not use more than 500 man days of labor during any calendar quarter of preceding year are exempt from minimum wage law during the current year.

A "Man Day" is defined for agriculture in the Act as "...any day during which an employee performs agricultural labor for not less than one (1) hour." Agricultural labor performed by the employer or any member of his or her immediate family (spouse, parent, child, stepchild or sibling) is **not** counted as man days, regardless of the form of business organization (sole proprietorship, partnership or corporation) in "family" farms. Generally, a farm employer will fall under the 500 man day per calendar quarter limit if there are five or fewer employees.

Example

George A. Farmer has five full-time hired employees who work at least one hour per day six days per week. He also currently has four seasonal employees who worked at least one hour per day six days a week for five weeks.

George Farmer's man days of labor for the calendar quarter are:

Full time (5 workers x 6 days per week x 13 weeks) = 390 man days

Seasonal (4 workers x 6 days per week x 5 weeks) = 120 man days

Mr. Farmer has 510 man days of labor during the calendar quarter. He will be subject to the agricultural provisions of the Fair Labor Standards Act **next** year. He is not subject to the Act **this** year unless he had more than 500 man days of labor in any calendar quarter of the previous year.

The Fair Labor Standards Act is administered and enforced by the Wage and Hour Division of the United States Department of Labor.

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