

Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO)
Minimum Wage Frequently Asked Questions

This document provides guidance on general rights and responsibilities of employers and employees under the City of Saint Paul Minimum Wage Ordinance.

This document is intended to provide the public with general information and guidance about how the City will implement, interpret, and enforce the Minimum Wage Ordinance as well as general employee rights and employer responsibilities. Employers and employees may have additional rights under other local, state, or federal laws. This guidance does not address employer or employee rights or obligations with respect to these other laws.

General Information

1. What is the minimum wage ordinance?

The Saint Paul Minimum Wage Ordinance sets the lowest hourly pay rate for work done within Saint Paul. It also sets employee rights and remedies and employer responsibilities.

2. How can I be sure my employees were working within the city limits?

You can find the city geographical boundaries on the City of Saint Paul’s website:
<https://www.stpaul.gov/departments/city-council#iframe>

Employers are responsible for keeping track of where their employees are working for the purposes of the Saint Paul minimum wage. Records to estimate can include, but are not limited to, delivery addresses, standard estimated travel times, historical averages, dispatch logs, scheduling logs, and appointment details. There are also smartphone apps to track GPS location and payroll time tracking.

3. When did it go into effect?

The effective date and initial minimum wage depend on the employer’s business size:

| Effective Date | City of Saint Paul and Macro Business (10,000+ employees) | Large Businesses (100-9,999 employees) | Small Business (5-99 Employees) | Micro Businesses (Fewer than 5 employees) |
|----------------|---|--|----------------------------------|---|
| 1/1/2020 | \$12.50 | State of MN minimum wage applies | State of MN minimum wage applies | State of MN minimum wage applies |
| 7/1/2020 | \$12.50 | \$11.50 | \$10 | \$9.25 |

4. When will the minimum wage for Saint Paul be \$15 an hour?

| Employer Business Size | Date Minimum Wage Reaches \$15 an hour |
|---|--|
| City of Saint Paul and Macro Businesses (10,000+ employees) | July 1, 2020 |
| Large Business (100-9,999 employees) | July 1, 2023 |
| Small Business (5-99 employees) | July 1, 2025 |
| Micro Business (Fewer than 5 employees) | July 1, 2027 |

5. Where can I find the ordinance language?

The ordinance is in [Chapter 224](#) of the City of Saint Paul Municipal Code. It is available on the city’s website: www.stpaul.gov/minimumwage

6. Which city department handles minimum wage issues?

[The City of Saint Paul Department of Human Rights and Equal Economic Opportunity \(HREEO\)](#)

7. Who can I call with questions?

[HREEO](#) is happy to answer your questions and help you report violations. Please give us a call at 651-266-8900, or email LaborStandards@ci.stpaul.mn.us.

8. Who does the minimum wage ordinance cover?

The ordinance covers all employees performing work within the Saint Paul city limits. “Employee” is defined the same way the State of Minnesota defines “employee” at Minnesota Statute §177.23. Persons exempt from Minnesota Statute §177.23, which defines “employee” for the state minimum wage law, are also exempt from the Saint Paul Minimum Wage Ordinance, except that all City employees are covered by the Ordinance. Employers may pay certain youth employees and trainees an adjusted minimum wage in limited circumstances (Rule 4.2). The Ordinance does not apply to:

- a. Persons with “severe impairment to employment” who receive extended employment services under the Minnesota Extended Employment Program;
- b. Persons with disabilities receiving licensed home and community-based services, if the employment receives intensive support services (e.g. day services, employment exploration, development, or support services under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans);
- c. An employer is not required to pay City Minimum Wage to an employee to play baseball as part of an independent baseball league provided that the employee is compensated pursuant to a negotiated contract and appears on the roster of the baseball team;
- d. Independent contractors.

9. Where can I find St. Paul’s current minimum wage?

The City of Saint Paul posts the current minimum wage on its website at www.stpaul.gov/minimumwage. You can also call the HREEO office at 651-266-8900, or email HREEO at laborstandards@ci.stpaul.mn.us.

Definitions

1. What are wages?

Wages are compensation due to an employee by reason of employment. They include salary, hourly pay, piece rate pay, commissions, and non-discretionary performance bonuses. Tips and employer payments towards medical benefits are *not* considered wages under the Ordinance.

2. What is the definition of employee?

An *employee* has the same meaning as [Minn. Stat. 177.23](#) with the exception of certain exempted city employees under the state statute are covered by the Ordinance. Generally, an employee means any individual employed by an employer. The definition of employee does not include independent contractors, extended employment program workers MN Rules part 3300.6000, subpart 13 and participating in the Minn. Stat. 268A.15 extended employment program, or persons with disabilities receiving home and community-based services identified in Minn. Stat. 245D.03, Subdivision 1, paragraph (c), clauses (4), (5) (6) and (7).

Note: The definition of employee in the Saint Paul Minimum Wage Ordinance is different from the definition of employee in the Saint Paul Sick and Safe Time Ordinance.

3. What is the [youth wage](#)?

Employers may pay youth employees (ages 14-17) the youth wage for the first 90 days of their employment. The 90 days are consecutive calendar days, not days of work. The youth wage is at least 85% of the City minimum wage for small employers rounded up to the nearest nickel.

Once an employee turns 18 the youth wage no longer applies. The employer must immediately pay the full minimum wage and may not wait until the end of the initial 90 days.

4. What are [youth training programs](#)? How do businesses qualify?

Businesses can take part in city-approved, youth-focused training or apprenticeship programs. The adjusted minimum wage for these programs applies to participating employees under the age of twenty (20). The youth training program minimum wage is at least 85% of the minimum wage for small employers rounded up to the nearest nickel.

There are two ways to qualify for youth training programs:

- A. Receive local/state/federal grants for direct appropriations for youth workforce development (qualified funding sources). Programs with qualified funding sources will be automatically included in the approved programs.
- B. For youth programs without qualified funding sources, programs must include the following:
 - i. Youth must receive a certain minimum of work readiness training, which includes the following:
 - a. At least six (6) hours of work readiness training. The curriculum must include Communication Skills, Teamwork/Collaboration, and Time Management.
 - b. There must also be training for at least two (2) of the following:
 - i. Job Basics
 - ii. Work Ethic,
 - iii. Problem Solving.
 - ii. Programs must include at least one (1) of the following for the youth trainee:
 - a. at least one professional development opportunity within the first 90 days of employment.
 - b. at least one job shadowing opportunity in the first 90 days of employment, or;
 - c. academic credit-based opportunities (high school credit for the experience).
 - iii. Supervisory Requirements:
 - a. Supervisors must complete at least two (2) hours of training in: Cultural Competency, Adolescent Development, Mentorship, and the creation of an effective project-based learning plan.
 - b. If not enrolled in school (summer or not enrolled), employees must work a minimum of 15 hours a week for at least six (6) weeks. If actively enrolled in classes, employees must work at least 10 hours a week.
 - iv. Employees must develop an active project-based learning plan with their supervisor and must have weekly check-ins with their supervisor.

5. I have qualifying youth employees, what is the youth wage schedule?

| Date Effective | Youth Wage |
|---------------------------|---|
| July 1, 2020 | \$8.50 |
| July 1, 2021 | \$9.35 |
| July 1, 2022 | \$10.20 |
| July 1, 2023 | \$11.05 |
| July 1, 2024 | \$11.90 |
| July 1, 2025 | \$12.75 |
| After July 1, 2025 | 85% of the City minimum wage, rounded to the nearest nickel |

Employees

1. Does the minimum wage apply to both full-time and part-time employees?
Yes.
2. Does the minimum wage apply to temporary employees?
Yes.
3. Does the minimum wage apply to employees who work in St. Paul but are not city residents?
Yes. Residency is not a factor in determining if the minimum wage applies. Employees who work in Saint Paul for at least two hours in one week are owed the minimum wage.
4. Does the City's minimum wage ordinance protect undocumented workers?
Employees are covered under the minimum wage ordinance regardless of their immigration status. Please note:
 - HREEO will process an employee's complaint without regard to immigration status.
 - An employee filing a report will not be asked about their immigration status.
 - It is retaliation for employers to threaten If an employer suggests to an employee that, if they file a wage claim or complaint, the employer will report suspected citizenship or immigration status of an employee or a family member to a government agency, this would be considered retaliation, which is also a violation of the ordinance.
5. What can I do if my employer doesn't pay me at least the City of Saint Paul's minimum wage?
You can file a complaint by contacting HREEO at www.stpaul.gov/minimumwage , laborstandards@ci.stpaul.mn.us, or 651-266-8900.
6. How long do I have to file a complaint?
You have two years from the date of the incident to file a report with the department. The date of the incident for a repeat or recurring violation is the last date of violation.
7. Can I file a complaint about an incident before the minimum wage ordinance was effective?
No.
8. Do commissions count toward payment of the minimum wage?
Yes.

9. Do tips count towards the minimum wage?

No.

10. I am part of a city-approved training or apprenticeship program. Does the minimum wage apply to me?

The minimum wage applies to you at an adjusted rate. Your employer can pay you at least 85% of the minimum wage for small employers rounded up to the nearest nickel. The adjusted minimum wage cannot be lower than required under state statutes and regulations.

Employers

1. Which employers must pay minimum wage to its employees?

All employers with employees working at least two hours in a week within the City of Saint Paul must pay those workers the municipal minimum wage.

2. Are independent contractors covered by the ordinance?

No.

3. How does the City define independent contractor?

The City looks at whether the worker:

1. files self-employment tax returns;
2. maintains a separate business and use their own tools;
3. has a contract for performance of services with the employer;
4. realizes a profit or suffer a loss under the contract to perform services;
5. incurs the primary expenses relating to the work performed;
6. controls the manner and means of work;

4. What is the notice requirement of the ordinance?

A. Employers must post a current employee rights notice.

a. The notice must detail employee rights and remedies under the ordinance.

This must include notice that:

1. Employees are entitled to the payment of the applicable minimum wage
2. Employees have the right to report a violation of this chapter or the denial of minimum wage payment.
3. Retaliation for requesting minimum wage payment, or retaliation for reporting a violation.

b. The notice must be in a viewable and conspicuous location to which all employees have access.

B. Employers must update all employee handbooks with the ordinance's employee rights and remedies.

- C. If an employer is under investigation for violating the minimum wage ordinance, the employer must post of a notice of the active investigation in the same place as the employee rights notice.
5. How do employers follow the workplace poster requirement if the employees telecommute or work off-site with no central work location?
Employers may provide the form on an individual basis in the employee's primary language in physical or electronic format that is reasonably conspicuous and accessible.
6. Do out-of-town employees who work in Saint Paul on an occasional basis need to be paid the City of Saint Paul's minimum wage?
Employees must earn the minimum wage for their time worked within Saint Paul. Employees must work within the city limits for at least two hours in one week to qualify under the ordinance.
7. Where can employers get the workplace poster?
HREEO provides employers a poster and notice containing required information. Employers may also create their own notice if it contains the required information. Employers can satisfy the requirement by printing out a copy of the City provided notice.
8. How long must employers keep payroll records?
Employers must create and keep records documenting the wages paid to each employee for at least three years for every employee.
9. My business is a family-run business. Do I need to pay my parents, spouse, or child the City's minimum wage?
Yes. You must pay all employees the applicable minimum wage for work completed in Saint Paul.
10. I am an employer and realized I have not complied with the minimum wage ordinance. I want to self-correct. What steps should I take?
If you failed to comply with all employer requirements, contact HREEO at laborstandards@ci.stpaul.mn.us or 651-266-8900. To be sure you comply with the minimum wage ordinance, the City has materials available to employers, including a self-audit and checklist.
11. What if my employees are based outside of St. Paul and pass through St. Paul as part of their job?
The minimum wage ordinance does not apply to an employee only passing through Saint Paul. Employees must work at least two hours in a week within the city limits for the minimum wage ordinance to apply.

12. Does the ordinance apply to an employer who isn't located in Saint Paul but has an employee working in Saint Paul?
 Yes. An employee who works in Saint Paul for at least two hours in a week must be paid at least the minimum wage for those hours.
13. How do I know how much time an employee spends working within the City limits?
 You can reasonably estimate an employee's time spent working in the City to determine if any employee worked at least two hours in a week within the City of St. Paul. Records to estimate can include, but are not limited to, delivery addresses, standard estimated travel times, historical averages, dispatch logs, scheduling logs, and appointment details. There are also smartphone apps to track GPS location and payroll time tracking.
14. How do I figure out my business size under the minimum wage ordinance?
 An employer's business size for the current calendar year depends on several factors.
- Count all employees on a full-time, part-time, joint, or temporary basis. Include employees not located in Saint Paul.

New Business

You have a new business under the ordinance if it has been in business for less than one year. For new businesses, find the average number employees per week during the first 90 days after your first employee started work. Add the total number of employees per week for the first 13 weeks and divide that total by 13.

"Mom and Pop" is a new popcorn shop that just opened in downtown St. Paul. During the first 90 days, Mom and Pop made a reasonable, good faith effort to estimate their projected number of employees. Once the 90 days were up, the couple calculated their business size by adding the number of employees each week for the first 13 weeks. For the first three weeks of this period, "Mom and Pop" had 10 employees. The fourth week, Mom and Pop hired five more employees. The couple did not hire or fire any other employees during this 90 day period. Mom and Pop's business size calculation looked like this:

Week one: 10 employees
 + Week two: 10 employees
 + Week three: 10 employees
 + Week four: 15 employees
 + Week five: 15 employees...+etc. for 13 weeks
 =180/13= 13.85 average number of employees per week.
 Mom and Pop's business is considered a small business.

Generally, business size is based upon the average number of employees per week during the previous calendar year.

For 15 years, “Izzy’s Iguana Emporium” has sold pet iguanas. Izzy had a great group of 15 employees last year and did not have to hire or fire any employees. To comply with the St. Paul Minimum Wage Ordinance, Izzy added her 15 employees every week for 52 weeks. (15+15+15+15+15...for 52 weeks) Izzy’s total employee count per week was 780. Izzy then divided 780 by 52 and found her average number of employees per week was 15. Izzy’s business is considered a small business.

The next year “Izzy’s Iguana Emporium” hired a new employee to the team on the third week. Izzy had to fire this employee a week later. Izzy decided to keep her same number of employees for the rest of the year. Izzy’s business size recalculation the next year looked like this:

Week one: 15 employees
+ Week two: 15 employees
+ Week three: 16 employees
+ Week four: 16 employees
+ Week five: 15 employees ...+etc. for 52 weeks
= $782/52 = \underline{15.04}$ average number of employees per week.

Izzy’s business is considered a small business.

Joint Ventures

For purposes of determining employer size under the Ordinance, integrated enterprises are counted as one employer. That means that when calculating your business size, add the employees from all businesses involved in the joint venture. Be sure to count joint employees only once. The Department will determine the existence of an integrated enterprise by assessing the degree of control exercised by one entity over the operation of another entity. The factors in this assessment include, but are not limited to:

- a. Degree of interrelation between the operations;
- b. Degree to which the entities share common management;
- c. Centralized control of labor relations;
- d. Degree of common ownership or financial control over the entities.

Corporations “Pinky’s Rockets” and “Brain’s Search Engine” have a joint venture to provide a comprehensive map of the entire world. Both corporations had a great group of dedicated employees last year and did not have to hire or fire any employees. To calculate their business size, they need to think of their business venture as one

employer. “Brain’s” added their 40 employees for week one to the 30 “Pinky’s” employees for week one. They counted joint employees once. They did this for every week for 52 weeks and divided the total for both business by 52. The combined average number of employees per week is 70 This joint venture is a small business.

Franchises

If you operate a franchise pursuant to Minn. Stat. §80C.01, you will calculate the *total* number of employees at all franchise locations owned and operated by a single franchisee. Do *not* average the employees by week.

Franchise relationships with more than two parties are considered integrated enterprises and must total the number of employees of all sub franchises. The burden is on the employer to establish you are not an integrated enterprise if you disagree with this classification.

Direct Franchise:

Ex #1: “Burger Mikes” is a successful fast food franchise in the United States. Keaton has a franchise agreement directly with the “Burger Mikes” corporation. Keaton owns four “Burger Mikes” franchise locations, only one of which is located within the St. Paul City limits. To comply with the St. Paul Minimum Wage Ordinance, Keaton must add up the total number of employees working at all locations, even those not in St. Paul. In the span of a year, Keaton employed 40 people at location #1, 35 people at location #2, 48 people at location #3, and 38 people at location #4. (40 + 35 + 48 + 38 equals a total of 161 employees). Keaton’s franchise is considered a large business.

Ex #2: “Grizzly Express” is a successful fast food franchise in the United States. Steven has a franchise agreement directly with the “Grizzly Express” corporation. Steven owns one location inside the St. Paul City limits and two locations in Woodbury. However, Steven knows to comply with the St. Paul Minimum Wage Ordinance that the location of his franchises does not matter when calculating business size. Steven added up the total number of employees from each location he owns. Location #1 had 28 employees, location #2 had 34 employees, and location #3 had 32 employees. (28 + 34 + 32 equals a total of 94 employees). Steven’s franchise is considered a small business.

Franchise agreement with more than two parties:

“Frank’s Fries” is a successful fast food franchise in the United States. They have an agreement with “Metro-Place Foods” to franchise in the region. Keaton has a franchise agreement with both “Metro-Place Foods” and “Frank’s Fries” for one franchise location in St. Paul. To comply with the St. Paul Minimum Wage Ordinance, Keaton needs to total all of “Metro-Place Foods” employees., including those at all of their sub-franchisees, like Keaton’s, in all locations. “Metro-Place Foods” has 20 sub-franchisees, each had 30 employees over the span of a year. “Metro-Place Foods” and Keaton have a total number of 600 employees and is considered a large business for purposes of business size.

Restaurants

Except for restaurants operated as a franchise, each full-service restaurant location within the city and with fewer than ten (10) locations nationally, is a unique employer solely to determine business size. To calculate your size, add the number of employees from each location separately per week for 52 weeks and divide by 52.

“Taylor’s” is a full-service restaurant with a delightful atmosphere and swift customer service. The restaurant has three (3) locations nationally, one in St. Paul. When “Taylor’s” needed to calculate its business size to comply with the St. Paul Minimum Wage Ordinance, the owners correctly counted the employees at the St. Paul location. They did not include the employees at any other location. The owners had a great group of 90 employees last year and did not have to hire or fire any employees. The owners added up their 90 employees every week for 52 weeks. (90 +90+90+90+90...for 52 weeks) “Taylor’s” total employee count per week was 4,680. The owners then divided 4,680 by 52 and found the average number of employees per week was 90. “Taylor’s” is considered a small business.

The next year, business was so good for “Taylor’s” the owners decided to hire 11 new employees on the second week to help around the restaurant. Afterwards, the owners decided to keep her same number of employees for the rest of the year. Therefore, “Taylor’s” business size calculation looked like this when they recalculated on January 1:

Week one: 90 employees
+ Week two: 101 employees
+ Week three: 101 employees
+ Week four: 101 employees
+ Week five: 101 employees ...+etc. for 52 weeks
= 5,241 /52 = 100.79 average number of employees per week.

“Taylor’s” is now considered a large business.

15. For purposes of determining business size, do owners or members of boards count?
Owners and board members are not counted as employees for calculating business size. But employers may not mask employees with titles to change their business size.
16. What documents are employers required to keep?
An employer must create records documenting wages paid to each employee. Required records must be kept for at least 3 years. Employers must keep records regarding independent contractors (e.g. contracts, project scope) and records relating to minimum wage adjustments for youth wage or youth training programs (e.g. program

components, funding sources, and employee ages with corresponding pay rates). Employers must keep detailed payroll records. The records must include:

- a. Name of employee;
- b. Occupation or position;
- c. Age of employee, if under 18;
- d. Time of day employee began work and stopped working;
- e. Hours worked each day and hours worked each pay period;
- f. Type of payment (hourly rate, including standard and overtime, if applicable);
- g. Additions and deductions from each employee's wages for each pay period and an explanation of additions and deductions;
- h. Total wages each pay period;
- i. Date of payment of each pay period.

Enforcement

1. How will the City of Saint Paul enforce the minimum wage ordinance?

The Department of Human Rights and Equal Economic Opportunity (HREEO) enforces the Ordinance. HREEO has the authority to proactively investigate and issue fines. Enforcement is complaint based. The department will impose damages and civil penalties to make employees whole. The department may impose administrative fines. Repeat or intentional violators will receive harsher penalties. All legal options and penalties to gain compliance will be considered.

2. I want to report a violation, but I'm afraid of retaliation. What should I do?

The Ordinance protects any person who alleges violations in good faith from retaliation, including employees and third-party complainants. HREEO will keep a complainant's identity confidential, to the extent permitted by the investigation and will always ask the complainant if the city can disclose their identity if the investigation requires it. The Ordinance prohibits retaliation for exercising or attempting to exercise any rights available. No person can interfere with the assertion of any rights in the Minimum Wage Ordinance.

Some, but not all the rights protected, include:

- the right to earn minimum wage;
- the right to ask about protected rights;
- the right to inform others about their rights;
- the right to inform the person's employer, union, or similar organization, and/or legal counsel or any other person about an alleged violation;
- the right to file an oral or written complaint with the department or bring a civil action for an alleged violation;
- the right to cooperate with the department in its investigations;
- the right to testify in a proceeding;
- the right to refuse to take part in any activity that would result in a violation of city, state, or federal law;

- the right to oppose any policy, practice, or act that is unlawful under this ordinance.

Due to a person exercising their rights under this ordinance, no one can or express a willingness to:

- inform a government employee the person is not lawfully in the United States;
- to report suspected citizenship or immigration status of an employee or their family member to a government agency.