

For Immediate Release

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Minimum Wage and Meals and Lodging Allowance Increases

Montpelier, VT - The Department of Labor announced today that the state minimum wage will be increasing to \$8.46 per hour from \$8.15 per hour on January 1, 2012. Vermont's minimum wage increases at the same rate as the Consumer Price Index (CPI), as calculated in August, for the preceding year, or at 5%, which ever is less. In addition, the same increase applies to the basic wage rate for tipped employees and the maximum tip credit allowed, as well as the State allowed rates for employer provided rooms and meals, that may be deducted from an employees pay.

Accordingly the basic wage rate for service and tipped employees will increase to \$4.10 per hour from \$3.95. Service or tipped employees may include individuals working in industries such as hotels, motels, tourist places, and restaurants that customarily and regularly receive more than **\$120.00** a month in tips for direct and personal service.

Tipped employees (as well as other employees) total earnings during a pay period must equal or exceed \$8.46 per hour. If a combination of tips and the basic wage do not meet that requirement, the employer must make up the difference.

An employer may deduct from wages earned, an allowance for meals and lodging actually furnished and accepted. The allowances and the increased rates as of January 1, 2012 are as follows:

Breakfast	\$2.85 daily
Lunch	\$3.20 daily
Dinner	\$3.56 daily
Full Board	\$9.61 daily or \$67.29 per week
Nightly Lodging	\$3.91 daily
Full Room	\$23.54 weekly
Full room & Board	\$81.31 per week

Vermont law requires all employers to post the minimum wage rates. Updated posters for both the minimum wage and meals and lodging allowance can be found at the Vermont Department of Labor's website (www.labor.vermont.gov) under the "News" section.

Information about the minimum wage or other wage and hour regulations impacting Vermont's workforce can be found through the Vermont Department of Labor website at www.labor.vermont.gov or contact the Department of Labor Wage and Hour program at 802-828-0267.

