

Employee Pay Rules

In general, federal law mandates that:

- All employees be paid a **minimum wage** of **at least \$7.25 per hour**; and
- All employees receive **overtime pay** for hours worked over 40 in a workweek at a rate not less than time and one-half their regular rates of pay.

However, three key exceptions apply:

1. Federal law [exempts](#) certain employees from minimum wage and/or overtime pay if they meet certain compensation thresholds, perform certain job duties, are [interns](#), or are [under the age of 20](#).
2. Federal law [permits](#) employers to pay employees who customarily and regularly receive more than \$30 per month in tips a lower minimum wage called a "tipped minimum wage," provided that the employee's wages and tips combine to equal at least the federal minimum wage.
3. [State or local laws](#) may have their own minimum wage and overtime pay rules that supersede federal law because they are more favorable to the employee.

Click on the links above to learn more.