



Updating Minimum Wages

Changes to the minimum wage are made via the Prevailing Wage Lookup. Instructions for how to add the new minimum wage follow. In addition to the prevailing wage, you can also add the new minimum wage to Payroll System Options. The minimum wage found in Payroll System Options is used only for the Minimum Wage Cap feature. Vertex recommends all agencies update the values in this feature even if the Minimum Wage Cap is not utilized. Please note adding the new rate to the Minimum Wage Cap feature does not in any way affect the prevailing wages that are used to pay your employees.

To add the new minimum wage to Payroll System Options:

1. From the Tools menu, select Payroll System Options
2. Click the Rates tab
3. Click Set Minimum Wage.
4. Click the rate that is no longer valid and enter the Expiration Date. This date is normally one day before the start of the new rate.
5. Click add
6. Add a new minimum wage rate with effective date and (optional) expiration date. Only one minimum wage can be in effect at a time.

Important: When your minimum wage changes, add a new record with a new effective date. Do not change the rate on an existing record.

To add the new minimum wage to Payroll System Options:

Important: You may have multiple prevailing wage types that are used to represent minimum wages. Any prevailing wage type that is in use will need to be updated. Also, always add a new record when updating a prevailing wage rate. Do not change the effective date or rate of an existing record. If you change an existing rate, you will lose your prevailing wage history.

1. From the Tools menu, select Lookups| Prevailing Wage type
2. Select the prevailing wage that represents your minimum wage. Please note you may have more than one.
3. Click on History tab (top left corner of Lookup window)
4. Click Add and enter effective date & new rate.
 - In the Date field, type the effective date of the new prevailing wage rate. You can enter new wage rates that will go into effect on a future date. This allows you to update your prevailing wage rates in advance of the time they will be used.
 - In the Rate field, enter the prevailing wage rate in dollars and cents. If you are setting up a guaranteed rate, enter the guaranteed rate in dollars and cents.
5. (Optional) In the Discretionary % field, type the percent that should be used to calculate the discretionary increase in earnings. If you want the discretionary percentage to be 4.25%, type 4.25. You can enter a number up to three decimal places.

Important: Do not add the discretionary percentage to an existing prevailing wage rate that has been used to calculate wages. Add a new rate with an effective date as the first date you will use the discretionary percentage. If you add the discretionary percentage to an existing record, the new wage basis would be retro-active to the effective date and would affect any adjustments made to records using this wage.

The Wage basis field shows the prevailing wage rate calculated with the discretionary percentage. Decimals are rounded up to the nearest \$01.

On the Type tab, the Current rate field shows the prevailing wage rate currently in effect. The Current wage basis field shows the wage basis currently in effect.