



WORKER RIGHTS · ALABAMA

Know Your Rights in Alabama

What every hospitality worker should know, in plain language.
No legal jargon.

Read this first — Alabama has no state minimum wage law at all. The wage floor here is the federal \$7.25, and most of this guide runs on federal law plus a handful of Alabama statutes most workers never hear about — including an adoption-leave law with a paid-leave parity rule, and an EEOC deadline that is 180 days, not the 300 days in generic materials.

General information only — not legal advice.

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The Minimum Wage — There Is No State Law

- Alabama has no state minimum wage law. Employers covered by the federal Fair Labor Standards Act must pay the federal minimum wage: \$7.25 per hour. No increase is scheduled — a change would take a federal increase or new Alabama legislation.

TRAP — your city cannot raise it. Alabama law preempts the whole field of wages, leave, and employment benefits: no county or city may require a higher wage, paid or unpaid leave, vacation, or a scheduling rule beyond what state or federal law requires, and any such local rule is void. A Birmingham (or any city) minimum-wage ordinance does not apply.

Tips

- Tipped workers — the federal figures. Cash wage at least \$2.13 per hour; maximum tip credit \$5.12 per hour. A tipped employee is one who regularly receives more than \$30 a month in tips. Only tips actually received count, and if cash wages plus tips do not reach \$7.25 in a workweek, your employer must make up the difference.

TRAP — no notice, no tip credit. Before taking a tip credit, your employer must tell you: the cash wage, the credit amount claimed, that the credit cannot exceed tips actually received, that you keep all tips except for a valid tip pool, and that the credit does not apply unless you were told all of this. Without that notice, the employer cannot take the credit.

- Managers and supervisors can never take your tips — not from a pool, not directly — whether or not a tip credit is taken. The one exception: a manager may keep a tip a customer gave them directly for service they personally and solely provided (for example, a manager working their own tables).
- Tip pools: if your employer takes a tip credit, a required pool may include only workers who customarily and regularly receive tips (servers, bussers, service bartenders, counter staff who serve customers). A broader pool including cooks or dishwashers is allowed only when everyone is paid the full \$7.25 cash wage. Pooled tips must be fully paid out by the regular payday for that workweek (or as soon as practicable after).
- Overtime trap for tipped work: overtime is calculated on the full \$7.25, never on the \$2.13 cash wage, and your employer cannot take a bigger tip credit for an overtime hour. Deductions for walkouts, breakage, or register shortages that pull you below minimum wage are a listed federal violation where a tip credit is claimed.
- A service charge is not a tip. A compulsory charge (for example, 15% added to the bill) is not a tip under federal law. Money distributed from service charges counts toward minimum wage and overtime and goes into the regular rate for overtime.

Overtime

- Overtime is federal law only — Alabama adds no state overtime premium: one and a half times your regular rate after 40 hours in a workweek, for covered, nonexempt workers. Federal law does not require extra pay for weekends or nights as such, or double time, and sets no limit on hours for workers 16 and older.

TRAP — overtime pay is taxed as wages again. Alabama's income-tax exemption for overtime wages ended June 30, 2025. Overtime earned after that date is subject to Alabama income tax again; a payroll setup that still excludes it is out of date.

Final Pay and Paydays

- Final pay: federal law does not require immediate payment of final wages. If the regular payday for your last pay period has passed and you still have not been paid, contact the U.S. Department of Labor's Wage and Hour Division or the state labor department — the Department of Labor has mechanisms to recover back wages.
- Sales representatives — commissions: commissions due at termination must be paid within 30 days after termination. Commissions that become due later must be paid within 30 days of becoming due. When a commission is due is set first by the contract, then past practice, then custom and usage in that business in Alabama.

- Paydays: the U.S. Department of Labor's state payday table records no Alabama payday-frequency regulation ("No regulations or not specified"), so how often you are paid is set by your employer's practice and any agreement — there is no state weekly or semi-monthly rule in that table.

Breaks

- No breaks are required at 16 and older. Neither federal law nor Alabama law requires meal or rest breaks for employees 16 and older — Alabama's own child labor poster states it outright: "No breaks are required for employees 16 and older." Breaks are a matter of agreement with your employer.
- Workers 14 to 15: no more than 5 hours continuously without a documented break of at least 30 minutes for a meal or rest. A shorter break does not interrupt the continuous period.

Sick Leave

- Paid sick leave is a matter of agreement between you and your employer — no federal or Alabama mandate requires it, and Alabama law bars cities and counties from imposing one (see the preemption trap in the minimum wage section).

Family Leave

- Family leave — the federal floor. FMLA covers employers with 50 or more employees. You are eligible after 12 months and 1,250 hours, at a location with 50 employees within 75 miles: up to 12 workweeks of unpaid, job-protected leave for birth, placement, and bonding. Leave may run at the same time as employer-provided paid leave.

TRAP — Alabama's adoption-parity law, easy to miss. An employer must provide 12 weeks of unpaid family leave, running at the same time as federal leave, for the birth and care of a child in the first year, or for a child placed for adoption within one year of placement. Paid-leave parity: an employer who gives PAID leave for the birth of a child must also give an adopting employee the lesser of equivalent paid leave or two weeks of paid leave. For foreseeable adoption leave, give at least 30 days' notice where practicable. Your employer may not penalize you for using this leave, and it may not be taken in pieces unless you and the employer agree.

Non-Competes

- Alabama starts from void: every contract restraining someone from exercising a lawful profession, trade, or business is void except as the statute allows. An employee non-compete IS allowed to protect a "protectable interest," with reasonable time and place limits — restraints of two years or less are presumed reasonable.
- A customer non-solicitation agreement: 18 months, or as long as post-separation consideration is paid, whichever is greater, is presumed reasonable. Sale-of-a-business goodwill covenants: one year or less is presumed reasonable.
- "Protectable interest" includes trade secrets; confidential information (pricing, compensation, customer lists and data, prospective-customer information, financial information, management and marketing plans, business strategy, processes, confidential company files, software, and documents); commercial relationships with specific customers, patients, vendors, or clients; goodwill; and specialized, unique training involving substantial business expenditure, set out in writing as the consideration. Job skills by themselves are NOT a protectable interest.

Wage History and Equal Pay

- Wage history — your protection (Clarke-Figures Equal Pay Act). An employer may not refuse to interview, hire, promote, or employ you, or retaliate against you, because you did not provide your wage history.
- Equal pay: an employer — including the state and its subdivisions — may not pay you less than employees of another sex or race for equal work in the same establishment, on jobs requiring equal skill, effort, education, experience, and responsibility under similar working conditions — except under a seniority system, a merit system, a system measuring earnings by quantity or quality of production, or a factor other than sex or race. A violating employer is liable for the wages you were deprived of, plus interest. A suit must be started within two years of the act of discrimination.

Filing a Wage Claim

- The federal route: U.S. Department of Labor, Wage and Hour Division — 1-866-487-9243 (1-866-4USWAGE), 8 a.m. to 5 p.m. your time zone. You will be directed to the nearest Wage and Hour Division office, and all complaints are confidential.
- You may also sue privately: generally two years of back pay (three years if the violation was willful), plus an equal amount in liquidated damages, plus attorney's fees and court costs. It is illegal to fire or discriminate against you for filing a complaint or taking part in a proceeding.

Discrimination

TRAP — the EEOC deadline in Alabama is 180 days. You have 180 days from the date of the alleged harm to file a charge with the EEOC (Birmingham District Office) — against an employer with 15 or more employees for race, color, national origin, sex, religion, or disability discrimination, and 20 or more employees for age discrimination. Alabama workers do NOT get the 300-day period described in generic EEOC materials. Contact: 1-800-669-4000, TTY 1-800-669-6820, info@eeoc.gov.

- Alabama's own age-discrimination route: for age discrimination by an employer with 20 or more employees, you may choose the federal route OR sue directly in the circuit court of the county where you were employed — no administrative filing is required first under the state article. Only one recovery is allowed (an award in one court offsets the other), a jury trial is available, and the article's remedies, defenses, and limitations periods are those of the federal Age Discrimination in Employment Act.

E-Verify

- Every Alabama employer must use E-Verify. Since April 1, 2012, every business entity or employer in Alabama must enroll in E-Verify and verify each new employee's employment eligibility through it, and knowingly employing an unauthorized alien is barred — with escalating license consequences for violations.

Alcohol Service and Young Workers

- Alcohol service: you must be 21 to serve alcohol for on-premises consumption — 18 if the licensee is RVP certified. Workers 16 and older may be employed in alcohol-serving establishments as bus staff, janitors, dishwashers, cooks, hosts, or seaters. Fourteen- and fifteen-year-olds may not work in any establishment that serves alcohol for on-premises consumption (an immediate-family exception applies where they do not serve, sell, dispense, or handle alcohol). No one under 14 may be employed.
- Minor work hours. Ages 14 to 15, school in session: maximum 3 hours on a school day, 8 on a nonschool day, 6 days a week, 18 hours a week, no work before 7 a.m. or after 7 p.m., and none during school hours. School out: 8 hours a day, 6 days a week, 40 hours a week, 7 a.m. to 9 p.m. Workers 16 to 18 enrolled in school: no work after 10 p.m. or before 5 a.m. on a night before a school day; no hour limits when school is out.
- Employers must hold the proper Child Labor Certificate for each location employing minors under 18 (Class I for ages 14/15, Class II for 16/17, renewed annually) and keep an Employee Information Form, proof of age, and time records (including break times) for every employee 18 and younger. Children of the business owner are NOT exempt.

Sources

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Code of Alabama — preemption §§ 25-7-41, 25-7-45; adoption parity §
25-1-61; equal pay and wage history § 25-1-30; age discrimination §§
25-1-20, 25-1-29; sales-rep commissions § 8-24-2; non-competes §§
8-1-190, 8-1-191; child labor § 25-8-38; E-Verify § 31-13-15:
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