



WORKER RIGHTS · ARKANSAS

Know Your Rights in Arkansas

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

Read this first — Arkansas's minimum wage is \$11.00, set by the voters themselves in 2018. Arkansas also has a tip rule most states do not: twenty minutes of non-tipped work in an hour can cost your employer the tip credit for the whole hour.

General information only — not legal advice.

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The Minimum Wage

- Arkansas's minimum wage is \$11.00 per hour, effective January 1, 2021 — the final step of the voter-approved 2018 ballot measure (Issue 5). No later increase has taken effect.
- The Arkansas Minimum Wage Act covers employers with 4 or more employees. If both state and federal law cover you, your employer must pay the highest minimum wage.
- Full-time students at an accredited Arkansas institution, working no more than 20 hours a week while school is in session (40 when it is not), may be paid 85% of the minimum wage — \$9.35 an hour.

Tips

- Tipped employees must be paid at least \$2.63 per hour in cash wages. Tips must bring you up to the \$11.00 minimum — if they do not, your employer must add enough to make up the difference. Your employer must keep accurate tip records; an employer that fails to keep them cannot take a tip credit unless it can prove you actually received and kept tips equal to or greater than the credit each week.
- The maximum tip credit at the current wage is \$8.37 per hour (the U.S. Department of Labor figure: \$11.00 minus \$2.63).

- The credit is available only in occupations where tips are customarily and usually recognized as part of pay — the state rule names waiters, waitresses, bellhops, beauty operators, and barbers who actually receive and keep tips. For any other occupation, you must actually receive more than \$20 per month in tips. If your agreement or workplace practice requires tips to be turned over to the employer as part of its gross receipts, you are not a tipped employee for those hours and must be paid the full minimum wage.

TRAP — the 20-minute rule. If you are required to work 20 minutes or more in any hour at work where tips are not customarily recognized, the whole hour must be paid at the full minimum wage with NO tip credit. Side work can cost the credit for the entire hour.

- A compulsory service charge is not a tip — the rule's example is a 10% charge on the bill — even if it is distributed to employees. Non-cash gifts (tickets, passes, merchandise) do not count as tips.
- Tip splitting and pooling under the state rule: where waiters give part of their tips to bussers, the amounts each person keeps count as that person's tips. Where an employer redistributes tips under a pooling arrangement the employees have mutually agreed among themselves, what each person receives and keeps counts as their tips.

- Federal rules also apply: an employer — including managers and supervisors — may never keep any part of employees' tips, directly or through a pool, whether or not a tip credit is taken. A manager or supervisor may keep only a tip received directly from a customer for service they directly and solely provided. An employer taking a tip credit may require pooling only among employees in occupations that customarily and regularly receive tips. An employer paying at least the full federal minimum wage in cash may include non-tipped staff such as cooks and dishwashers in a pool — Arkansas employers must still meet the \$11.00 state standard overall. Federal law sets no percentage limit on a valid mandatory pool, and pooled tips must be fully distributed by the regular payday for the workweek.
- Before taking a federal tip credit, your employer must tell you the cash wage, the credit amount claimed, that the credit cannot exceed tips actually received, that all tips are kept by you except for a valid pool, and that the credit does not apply unless you have been informed. Without that notice, no federal tip credit.

Overtime

- Overtime is one and one-half times your regular rate for all hours actually worked over 40 in a workweek. There is no daily trigger — more than 8 hours in a day is not overtime by itself. Hours paid but not actually worked (a paid holiday or sick day) do not count toward the 40. Only public agencies may give compensatory time off instead of paying overtime.
- For tipped employees, the overtime regular rate is built on your total remuneration for the week — cash wages, the tip credit taken, and any board, lodging, or apparel allowance — divided by hours actually worked. Overtime is calculated on the full wage, not just the reduced cash wage.

Deductions, Board, and Lodging

- Deductions generally may not bring you below minimum wage for the workweek — including deductions for spoilage or breakage, cash or inventory shortages or losses, and fines or penalties for lateness, misconduct, or quitting without notice. Deductions that may go below minimum wage — court-ordered deductions, wage assignments to a third party, and deductions for board, lodging, apparel, or other items and services — may be made only as the Minimum Wage Act's statutes and rules allow.
- Board and lodging: an employer in an occupation where board, lodging, apparel, or other items are customarily furnished may count the fair and reasonable cost of those items toward your hourly wage — and the tip credit is in addition to any board or lodging credit.

Getting Paid

- Employers must pay wages no less frequently than semimonthly — twice a month.
- Wages may be paid by automatic deposit or by a preloaded debit card. If a debit card is used, at least one free withdrawal must be available for the funds in each deposit.

TRAP — final pay when you are discharged. All wages due are payable by the next regular payday. If your employer fails to pay within 7 days after that payday, it owes you **DOUBLE** the wages due.

- If you quit: Arkansas's final-pay statute sets its deadline for discharged employees. The rule above is the one the statute states.

Breaks

- Neither state nor federal law requires breaks or meal periods for adults. If breaks are given: short rest periods (usually 20 minutes or less) are paid work time. A bona fide meal period (typically 30 minutes or more) may be unpaid only if you are completely relieved of duty — if you do any work while eating, the meal period must be paid.
- Breast milk breaks are a state mandate: your employer must provide reasonable unpaid break time each day to express breast milk (running alongside break time already provided, where possible) and make a reasonable effort to provide a private, secure, sanitary room that is not a toilet stall, close to your work area — unless it would create an undue hardship.

Sick Leave and Family Leave

- Arkansas law does not make sick pay an entitlement the Division of Labor enforces. Whether you are owed sick, vacation, holiday, bonus, or severance pay depends on your employer's policy — and to claim any of it through the Division, you must provide a copy of the policy that says you will be paid for it.
- Federal FMLA: eligible employees get up to 12 weeks of unpaid, job-protected leave per year, with health benefits maintained. It covers public agencies, schools, and employers with 50 or more employees. Eligibility requires 12 months with the employer and 1,250 hours in the previous 12 months, at a location with 50 or more employees within 75 miles.

Non-Competes

- A covenant not to compete in Arkansas is enforceable if it is ancillary to an employment relationship (or part of an otherwise enforceable employment agreement) and: (1) your employer has a protectable business interest — the statute lists trade secrets, intellectual property, customer lists, customer goodwill, knowledge of business practices, methods, profit margins, costs, other confidential business information, employee training and education, and other valuable data; and (2) the covenant is limited in time and scope no more than necessary to defend that interest.

- A post-termination restriction of two years is presumptively reasonable as to length. The lack of a specific geographic limit does not by itself make a covenant too broad. Continued employment alone is sufficient consideration — you can be bound by signing after you have already started. If a court finds a restriction unreasonable, it must reform the covenant to a reasonable scope and enforce it as reformed. The Act does not govern non-solicitation, confidentiality, or nondisclosure agreements (common law does), and does not apply to licensed professionals under Title 17, Subtitle 3.
- Physicians: a covenant not to compete that restricts a physician's right to practice within their scope of practice is void (2025).

Filing a Wage Claim

- File a wage claim with the Labor Standards Section, Division of Labor. The Division investigates wage claims for workers owed \$2,000 or less — employee or independent contractor who physically performed the work; both are covered. Claims typically involve last paychecks, commissions, vacation pay, bonuses, or unauthorized deductions. If the claim is valid, the Division may take legal action to collect. File through the Citizen's Portal on the Division's wage-claims page. Questions: 501-682-4599.

TRAP — the wage-claim eligibility lines. You are NOT eligible if the amount in dispute is more than \$2,000, or if you earn more than \$50,000 per year — a claim accepted and later found over either line will be closed. You may not pursue a civil action and a Division claim for the same wages, and you may not split the amount between the Division and the courts — all unpaid wages must go in one claim. The process generally takes at least 90 days. You carry the burden of proof and must give the employer's address and contact information. Alternatives the Division names: an attorney, or Small Claims Court (no attorney required).

- Minimum wage and overtime problems are a DIFFERENT door: file a complaint through the Division's portal. If your problem is collecting your final paycheck, do not file the complaint form — use the wage claim instead. Labor Standards: (501) 682-4599. U.S. Department of Labor, Little Rock: (501) 223-9114.
- Suits under the Minimum Wage Act: the limitations period is 2 years, and liquidated damages up to the amount of wages owed are available only if you prove the violation was willful.

Discrimination and Your Job

TRAP — the EEOC clock in Arkansas is 180 days, not 300. Arkansas is a 180-day (non-deferral) state: file a charge with the EEOC within 180 days of the alleged harm (employers with 15 or more employees; 20 or more for age cases). EEOC: 1-800-669-4000. Do not assume the 300-day period used in deferral states — in Arkansas it is 180.

- State route — an Arkansas Civil Rights Act court action. The ACRA gives a person injured by employment discrimination a civil action in court; there is no state agency charge step. "Employer" under the Act reaches a person employing 9 or more employees in Arkansas in each of 20 or more calendar weeks — below the federal 15-employee line. The action must be brought within 1 year after the discrimination occurred, or within 90 days after you receive an EEOC "Right to Sue" letter or "Determination," whichever is LATER.
- Arkansas is an employment-at-will state: either side may end employment at any time for any reason or no reason, subject to state and federal exceptions — anti-discrimination laws, collective bargaining agreements, a written promise of termination only for cause, and public-policy exceptions such as discharge for refusing to break the law, jury service, obeying a subpoena, or reporting a suspected violation of law.
- There is no Arkansas law requiring a private employer to let you see or copy your personnel file — access exists only if company policy or your contract grants it. No law requires a private employer to pay you while you serve on a jury, but discharge for jury service is protected.

Sources

Arkansas Division of Labor, Labor Standards — minimum wage and overtime:

labor.arkansas.gov/labor/labor-standards/minimum-wage-and-overtime/;

wage claims: labor.arkansas.gov/labor/labor-standards/wage-claims/;

FAQs: labor.arkansas.gov/resources/faqs/. Arkansas Minimum Wage Act rules (11 CAR § 11-705) — codeofarrules.arkansas.gov. Initiated Act, Issue 5 (2018) — labor.arkansas.gov. U.S. Department of Labor, Fact Sheet #15 (tipped employees) and state tipped wage table — dol.gov/agencies/whd. U.S. EEOC, Memphis District filing deadlines — eeoc.gov/field-office/memphis/timeliness.