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# Iowa wage and hour cheat sheet

Minimum wage, overtime, breaks, final pay, and record retention on one sheet. Rates verified November 2026.

## Minimum wage

$7.25 per hour since January 1, 2008 (Iowa Code § 91D.1), the same as the federal rate. Employers must pay the state rate or the current federal minimum wage, whichever is greater. Enterprises with annual gross sales or business under $300,000 are not required to pay the state minimum wage, but that exemption does not apply to laundering or clothing repair businesses, construction, hospitals and care institutions, schools, institutions of higher education, or public agencies. Federal FLSA exemptions also apply. Employers may pay an initial rate of $6.35 per hour for the first 90 calendar days of employment. Employees of a restaurant, hotel, motel, inn, or cabin who customarily and regularly receive more than $30 a month in tips may be paid a cash wage of $4.35 per hour, with a tip credit of up to 40 percent of the minimum wage ($2.90). If wages and tips do not average at least $7.25 per hour in a workweek, the employer must pay the difference. Iowa does not index its rate, and no change is scheduled for January 1, 2027.

## Overtime

1.5x the regular rate for hours over 40 in a workweek under the federal FLSA. Iowa has no state overtime law. The Iowa minimum wage poster states that overtime is covered by the federal Fair Labor Standards Act, and the state Wage and Child Labor Unit sends overtime questions to the US DOL Wage and Hour Division.

## Daily overtime

None. Iowa has no state overtime law, so only the federal weekly standard applies (over 40 hours in a workweek). The state also sets no limit on daily hours for most adult employees unless an employment agreement or contract says otherwise. Working more than 8 hours in a day does not by itself trigger overtime.

## Meal break

No state meal-break requirement for adult employees. The Iowa Department of Inspections, Appeals, and Licensing states that Iowa has no laws mandating meal breaks for adults. A break may be unpaid when the employee is completely relieved of job duties, and the employer may require the employee to stay on the premises. Youth-only rule: minors younger than 16 must be given a 30-minute break if they work five hours or more in a day.

## Rest break

No state rest-break requirement for adult employees, except that all employees must be allowed toilet breaks when needed. A union contract or, for some groups such as airline pilots, other regulations may require breaks.

## Final paycheck

By the next regular payday for the pay period in which the wages were earned, whether the employee quits or is fired (Iowa Code § 91A.4). The Iowa Department of Inspections, Appeals, and Licensing states that an employee who leaves for any reason is to be paid on the next regularly scheduled payday. Where wages include the difference between a commission draw and commissions actually earned, that difference is due within 30 days of the separation. Accrued unused vacation is owed only if the employer has a contract, policy, or procedure to pay it to departing employees.

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# Iowa wage and hour cheat sheet (continued)

## How long to keep time records

Federal law requires keeping time cards 2 years and payroll records 3 years, and some states go longer. Keep the records where you can produce them; a wage claim is decided on whoever has the better records.

Rates verified November 2026. The $7.25 rate took effect January 1, 2008, under Iowa Code § 91D.1. Iowa does not index its minimum wage, and no change is scheduled for January 1, 2027. Iowa wage law is enforced by the Wage and Child Labor Unit of the Iowa Department of Inspections, Appeals, and Licensing, and overtime is enforced federally by the US DOL Wage and Hour Division. This is general information, not legal or payroll advice. Check the Iowa labor department for the current rules, and talk to a professional for your situation.

Primary source: https://dial.iowa.gov/hearings/wage-and-child-labor/wages. Full list of sources: getclox.com/blog/iowa-time-tracking.