Iowa labor law checklist 2026

Minimum wage	$7.25 an hour.
Tipped cash wage	$4.35
Next change	None scheduled
Overtime	The federal FLSA rule applies: overtime at 1.5 times the regular rate after 40 hours in a workweek. There is no daily overtime rule.
Exempt salary test	Federal $684 a week ($35,568 a year).
Meal breaks	No state meal break law for adult employees. Federal law doesn't require meal breaks either, but if you give one of 30 minutes or more and the employee is fully relieved of duty, it can be unpaid.
Rest breaks	No state rest break law for adults. Under federal law, short breaks of 5 to 20 minutes that you choose to give must be paid.
Final pay if fired	By the next regular payday.
Final pay if they quit	By the next regular payday.
Unused PTO	Required to the extent your policy or contract promises it. Iowa treats earned vacation as wages under the Wage Payment Collection Law.
Paid sick leave	No statewide paid sick leave law. Check city and county rules, and federal contractor rules (Executive Order 13706) if they apply.
Paid family leave	No state paid family leave program. The federal FMLA gives eligible employees of employers with 50 or more employees up to 12 weeks of unpaid, job-protected leave.
Pay transparency	No statewide pay transparency law requiring pay ranges in job postings.
New hire reporting	Report each new hire within 15 days, shorter than the federal 20-day deadline.
State income tax	Withhold state income tax.
State agency	Iowa Division of Labor: https://www.iowadivisionoflabor.gov

What trips up Iowa employers

- [ ] Report new hires within 15 days.
- [ ] Counties and cities can't set higher local minimum wages after a 2017 state law.
- [ ] Spell out PTO payout rules in writing, because earned vacation is treated as wages.
- [ ] Check the minimum wage on January 1 and July 1, and update payroll and posters.
- [ ] Confirm final pay timing before every termination meeting.

All 50 states and DC, comparison tables, and a free CSV: hrtally.com/state-labor-laws

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