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WHAT OMAHA AND LINCOLN EMPLOYERS NEED TO KNOW ABOUT MINIMUM WAGE OBLIGATIONS

In 2022, Nebraska voters approved Initiative 433, which amended the Nebraska Wage and Hour Act to raise the State minimum wage from \$9.00 per hour in annual steps: \$10.50 on January 1, 2023, \$12.00 on January 1, 2024, and \$13.50 on January 1, 2025. On January 1, 2026, Nebraska's minimum wage increased to \$15.00 per hour, with further annual increases scheduled thereafter based on inflation.¹

On July 17, 2026, the Nebraska Legislature passed LB 258, which changes Initiative 433 in two primary ways:

- **Smaller yearly raises.** Under Initiative 433, the minimum wage would have gone up each year to keep pace with inflation. In contrast, under LB 258, starting in 2027, the State minimum wage will instead go up by a set 1.75% each year, regardless of the rate of inflation.
- **New lower youth and training wages.** LB 258 lets employers pay certain young workers less than the regular minimum wage. Specifically:
 - **Youth wage:** Employers may pay workers who are 14 or 15 years old \$13.50 per hour, unless the worker is legally emancipated (i.e., treated as an adult). This rate will stay at \$13.50 until 2030. After that, it will increase by 1.5% every five years.
 - **Training wage:** Employers may pay newly hired workers who are 16 to 19 years old \$13.50 per hour for their first 90 days on the job. This does not apply to seasonal workers, migrant workers, or emancipated minors. Starting January 1, 2027, this rate will increase by 1.5% each year.²

Lincoln and Omaha responded to LB 258 by passing their own local laws, called ordinances: Lincoln Ordinance No. 21872, and Omaha Ordinance No. 4416. Both ordinances attempted to undo LB 258's changes within city limits by (1) keeping yearly minimum wage increases tied to inflation starting in 2027, and (2) getting rid of the lower youth and training wages. Lincoln's ordinance was set to take effect on July 18, 2026, and Omaha's on October 1, 2026.

Before either ordinance could fully take effect, the Nebraska Attorney General sued both cities to stop them from enforcing their ordinances, arguing that the ordinances conflict with State minimum wage law.

This article provides an update on the status of the Lincoln and Omaha minimum wage ordinances and highlights what employers in each city should know moving forward.

¹ See Initiative Measure 433, available at [Pamphlet for Initiatives 432 & 433.pdf](#).

² See LB258, available at [LB258.pdf](#).

1. Lincoln: Ordinance Blocked in Full

On July 17, 2026, the Lancaster County District Court put Lincoln's entire minimum wage ordinance on hold while the State's lawsuit moves forward.³ This is a temporary order, not a final decision. Lincoln's ordinance will stay on hold until the court makes a final ruling in the case.

Until then, Lincoln employers should understand two things:

- **The State minimum wage applies.** Lincoln's ordinance would have raised the minimum wage each year to keep up with inflation, but that raise is on hold. For now, Lincoln employers only need to pay the State minimum wage, which will increase by a set 1.75% each year.
- **The lower youth and training wage rates are still available.** Because the ordinance is on hold, Lincoln employers may keep paying eligible youth workers and new trainees the lower rate of \$13.50 per hour.

2. Omaha: Ordinance Partially in Effect

On September 28, 2026, the Douglas County District Court allowed part of Omaha's ordinance to take effect and put the rest on hold.⁴ For Omaha employers, this means:

- **The higher Omaha minimum wage applies.** Starting January 1, 2027, Omaha's minimum wage will increase each year to keep up with inflation. This will likely make it higher than the State minimum wage. The court explained that State law sets the lowest wage employers may pay, but it does not stop a city from requiring higher wages.
- **The lower youth and training wages are still available.** Omaha's ordinance would have required employers to pay youth workers and trainees the full minimum wage. The court put this part of the ordinance on hold because State law clearly allows employers to pay those workers the lower rate of \$13.50 per hour.

Like the Lincoln ruling, the Omaha ruling is temporary. The part of Omaha's ordinance that would end the youth and training wages will stay on hold until the court makes a final ruling.

3. Key Takeaways for Employers

Lincoln and Omaha employers now have different minimum wage rules. For now, Lincoln employers should follow the State minimum wage under LB 258, which will increase by a set 1.75% each year, and may keep paying the \$13.50 youth and training wages.

Omaha employers, on the other hand, should prepare to pay a higher minimum wage tied to inflation starting January 1, 2027. Omaha employers may still pay the \$13.50 rate for youth and training wages allowed by State law.

³ See *State of Nebraska v. City of Lincoln, et al.*, Temporary Injunction, available at: [state-v-city-of-lincoln temporary-injunction.pdf](#).

⁴ See *State of Nebraska v. City of Omaha*, Order on Plaintiff's Motion for Temporary Injunction, available at [CI-26-7306-State-v-City-of-Omaha-Order-Motion-Temp-Injunction.pdf](#).

Because both rulings are temporary, these rules may change as the lawsuits continue. Employers with workers in both cities should check that each location is paying employees the correct rate, plan for the higher Omaha wage, and watch for updates and further developments.

For more information or assistance in ensuring compliance with wage and hour requirements, please reach out to [Lily Amare](#), [Milla Frank](#), or another member of [Cline Williams' Labor and Employment Law Section](#) at www.clinewilliams.com.

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