

# Walmart raises US worker pay following tax cut

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Walmart will raise the minimum wage for its US employees to \$11 an hour by February, pay \$1,000 bonuses, and expand maternity leave, moves affecting more than a million workers that were made possible by the tax cuts approved last month

Walmart announced Thursday it will raise the minimum wage for more

than a million US workers to \$11 an hour and pay bonuses, crediting the US tax reform approved in December for making the changes possible.

The wage increase starting in February elevates base starting pay from the current \$9 an hour, and Walmart also said it would pay employees a one-time bonus of up to \$1,000, expand parental and maternity leave programs and provide financial assistance to employees adopting children.

"We are early in the stages of assessing the opportunities [tax reform](#) creates for us to invest in our customers and associates and to further strengthen our business, all of which should benefit our shareholders," Walmart chief executive Doug McMillon said.

The company, the largest private US employer, is the latest to announce benefits for employees in the wake of the massive corporate tax cut that President Donald Trump pushed for and signed into law just before Christmas.

American Airlines, AT&T and Wells Fargo have been among the companies that have given bonuses or awarded pay increases in recent weeks. Skeptics have said these initiatives represent a pittance compared with the profit gains expected from lower tax rates, some of which is expected to go to higher executive pay, shareholder payouts and share buybacks.

McMillon said Walmart's moves build on steps first announced in February 2015 to attract and retain employees, adding to "investments we've been making in associates, in their wages and skills development."

The increased spending on [employee](#) pay, store beautification and e-commerce initially drew criticism from Wall Street when the retail giant trimmed earnings forecasts. But the initiatives have won support as

Walmart has reported improved performance in its US stores.

The lowest starting pay for Walmart workers previously was \$9 an hour, increasing to \$10 after 90 days following completion of a training program. But a company spokesman told AFP the starting wage for all workers now will be at least \$11.

The [company](#) said the new initiatives will add \$400 million in costs to the current fiscal year and \$300 million to the next fiscal year.

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