

NEW YORK BUDGET DEAL INCLUDES INCREASES TO THE STATE MINIMUM WAGE

Labor & Employment Alert
April 5, 2016

The New York State 2016-17 budget contains a bill that raises the State's minimum wage beginning on December 31, 2016. The bill provides that the minimum wage increases will be phased in as follows:

New Minimum Wage Rate Effective Date

New York City- Large Employers

New York City- Small Employers

**Nassau, Suffolk, Westchester
Counties**

Rest of New York

December 31, 2016

\$11.00

\$10.50

\$10.00

\$9.70

December 31, 2017

\$13.00

\$12.00

\$11.00

\$10.40

December 31, 2018

\$15.00

\$13.50

Attorneys

Joseph Braccio

Ryan Everhart

Andrew Freedman

Peter Godfrey

John Godwin

Karl Kristoff

Elizabeth McPhail

Jeffrey Swiatek

Practices & Industries

Labor & Employment

NEW YORK BUDGET DEAL INCLUDES INCREASES TO THE STATE MINIMUM WAGE

\$12.00

\$11.10

December 31, 2019

\$15.00

\$13.00

\$11.80

December 31, 2020

\$14.00

\$12.50

December 31, 2021

\$15.00

“Large employers” are defined as “every employer of eleven or more employees,” and “small employers” are defined as “every employer of ten or less employees.” The large and small employer concepts are relevant only for New York City.

Thus, the applicable minimum wage rate will depend on where an employee is working and, for employers in New York City, the number of individuals who are employed by that employer. The bill, however, does not clarify whether an employer with employees who work outside of New York State would need to count the employees working outside of New York State in determining whether it is a “large” employer or “small” employer. Nor does the bill address which minimum wage rate applies to employees who work in or travel between multiple counties with differing minimum wage rates.

Starting on January 1, 2019, and each year thereafter until the minimum wage is \$15.00 across New York State, the State Division of Budget will conduct an analysis of the economy in each region of the State, specifically focusing on the effect of the minimum wage increases, to determine whether a temporary suspension of further scheduled increases is necessary. This provision of the bill enables the State to delay the minimum wage increases that are planned to occur in 2019 and thereafter.

NEW YORK BUDGET DEAL INCLUDES INCREASES TO THE STATE MINIMUM WAGE

Also, beginning on December 31, 2021, and each December 31 thereafter until the minimum wage reaches \$15 per hour, the minimum wage for employers in New York State (outside of New York City and Nassau, Suffolk, and Westchester counties) will be announced in a publication issued by the Commissioner of Labor on or before October 1. As a result, the earliest that upstate New York employers could possibly see a \$15.00 minimum wage is December 31, 2021.

If you have any questions about New York State minimum wage, please contact any one of our labor and employment attorneys.