



New York State Raises Minimum Wage

Insights

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New York State has raised the hourly minimum wage of most employees effective December 31, 2013 from \$7.25 to \$8.00. Additional increases are coming on December 31, 2014, and again on December 31, 2015. An important provision is that, if at any time federal law establishes a higher minimum wage, the state minimum wage will be increased to match the federal.

Allowances or credits are permitted for tipped employees, with amounts varying depending on industry.

Within the hospitality industry (which includes hotels and restaurants):

- For food service workers: employers are permitted tip credits up to \$3.00 per hour provided that the food service worker's wage is at least \$5.00 per hour and that the food service worker's wages and tips total is at least \$8.00 per hour.
- For service employees: employers are permitted to take credit for tips up to \$2.35 per hour, provided that the service worker's wage is at least \$5.65 per hour and that the service worker's wages and tips total is at least \$8.00 per hour.
- For service employees in resort hotels: employers are permitted to take credit for tips up to \$3.10 per hour, provided that the resort service worker's wage is at least \$4.90 per hour and that the resort service worker's wages and tips total is at least \$8.00 per hour.

Outside the hospitality industry:

- Employers may take the following allowances against the new minimum wage for tipped employees: \$1.20 per hour for employees whose weekly average of tips is between \$1.20 and \$1.95 per hour; and \$1.95 per hour for employees whose weekly average of tips is \$1.95 per hour or more;

Detailed information, including new minimum wage posters reflecting the changes, is available for viewing and download from [the New York State Department of Labor's website](#).

New York's minimum wage increase provides an opportunity for employers to review their compliance with minimum wage and overtime laws, as well as other aspects of the New York Labor

Law such as the mandatory Notice of Pay Rate under the Wage Theft Prevention Act that must be distributed by February 1st of each year. The relatively small amount of effort it may take for an employer to audit its compliance could end up sparing the employer costly litigation.

For more information on the increased New York minimum wage or to schedule a payroll audit, contact our New Jersey office at (908) 516-1050.

This Legal Alert provides an overview of a specific state statute. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.