

## New York State Budget Increases Minimum Wage Statewide

On May 3, 2023, Governor Hochul signed the 2024 New York State Budget. The budget includes increases to the New York State minimum wage for the next three (3) years, with future increases tied to the consumer price index.

### Minimum Wage Increases

The minimum wage will increase based upon geographic location as follows:

Effective Date	New York City, Nassau, Suffolk, & Westchester Counties	Upstate New York
January 1, 2024	\$16.00	\$15.00
January 1, 2025	\$16.50	\$15.50
January 1, 2026	\$17.00	\$16.00

### Minimum Wage Increases Based Upon the Consumer Price Index

Beginning on January 1, 2027, the applicable minimum wage will increase based upon the consumer price index for Northeast region urban wage earners and clerical workers (the "CPI"). However, there will be no minimum wage increase under the following three circumstances:

1. The CPI is negative;
2. The statewide unemployment rate increased by 0.5% or more; or
3. Total non-farm employment decreases.

### Impact on Existing Wage Orders

All other aspects of the New York State minimum wage orders shall remain in effect. However, as the minimum wage increases go into effect, the Department of Labor will modify all monetary amounts specified in such wage orders (i.e. tip credits, exempt employee salaries, meal credits, etc.) in proportion to the minimum wage changes.

### Tip Credits for Food Service Workers

Significantly, the changes to the minimum wage preserved the tip credit for food service workers. Pursuant to the terms of the budget, the cash wage paid to food service workers shall be 2/3 of the applicable minimum wage, rounded to the nearest five cents, or \$7.50, whichever is higher. Based upon this formula, we anticipate the applicable wage rates for food service employees receiving tips to be as follows:

# MSF Client Alert

## New York City, Nassau, Suffolk & Westchester Counties

Effective Date	Minimum Wage	Tip Credit	Cash Minimum Wage	Cash Overtime Wage
January 1, 2024	\$16.00	\$5.30	\$10.70	\$18.70
January 1, 2025	\$16.50	\$5.50	\$11.00	\$19.25
January 1, 2026	\$17.00	\$5.65	\$11.35	\$19.85

## Upstate New York

Effective Date	Minimum Wage	Tip Credit	Cash Minimum Wage	Cash Overtime Wage
January 1, 2024	\$15.00	\$5.00	\$10.00	\$17.50
January 1, 2025	\$15.50	\$5.15	\$10.35	\$18.10
January 1, 2026	\$16.00	\$5.30	\$10.70	\$18.70

In advance of these changes, employers with employees working in New York should review their current pay rates to ensure that they are prepared to comply with the new minimum wage rates going into effect at the end of the year. MSF will continue to review any additional changes to the New York State wage others and provide additional updates once they are published.

Please contact an attorney in MSF's Employment Group if you need assistance with respect to this information.



**Andrea B. Neuman**  
Partner | Chair, Employment  
(212) 655-3513 | abn@msf-law.com



**Gregg M. Kligman**  
Counsel | Employment  
(646) 273-8209 | gmk@msf-law.com



**Samantha Frenchman**  
Associate | Employment  
(212) 655-3580 | slf@msf-law.com

*The information contained in this publication should not be construed as legal advice. The invitation to contact is not a solicitation for legal work under the laws of any jurisdiction in which Meister Seelig & Fein PLLC are not authorized to practice*