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KD Alert: New York State Minimum Wage to Increase on December 31, 2014

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On December 31, 2014, the minimum wage in New York will increase from $8.00 per hour to $8.75 per hour. Almost every person who works in New York State is covered by the minimum wage law.

Eligible employers who elect to take a tip credit must do so in accordance with the wage laws. Effective December 31, 2014, food service workers (e.g., wait staff, bartenders, and busers) must receive a wage of at least $5.00 per hour, and the tip credit must not exceed $3.75 per hour, provided that the total of tips received, plus the wages, equals or exceeds $8.75 per hour. Likewise, service employees (i.e., an employee, other than a food service worker, who customarily receives tips) must receive a wage of at least $5.65 per hour, and the tip credit must not exceed $3.10 per hour, provided that the total of tips received, plus the wages, equals or exceeds $8.75 per hour. The meal credit for service and food service workers is $2.50, and for non-service workers it is $3.00. In addition, the uniform maintenance rate will increase to $10.90 for over 30 hours; $8.60 for over 20 to 30 hours; and $5.20 for 20 hours or less.

Effective December 31, 2014, the unit rate for janitors in the building service industry will increase from $5.35 per unit to $5.85 per unit. The unit rate does not apply to janitors who are paid at least a weekly rate of $372.15. The allowance for utilities will increase from $22.40 to $24.50 for apartments with refrigerators and from $16.15 to $17.65 for apartments without refrigerators. In addition, the uniform maintenance rate will increase to $10.90 for over 30 hours; $8.60 for over 20 to 30 hours; and $5.20 for 20 hours or less.

Also effective on December 31, 2014, the minimum salary threshold for salaried employees to qualify for the Executive and Administrative overtime exemptions will increase from $600 per week to $656.25 per week.

Finally, employers are reminded that they must provide employees with a new pay notice between January 1st and February 1st, and each time employees' pay rate changes.

Employers should also be aware that additional increases are planned to go in effect on December 31, 2015. For example, the minimum wage will increase from $8.75 per hour to $9.00 per hour, and the minimum salary threshold for salaried employees to qualify for the Executive and Administrative overtime exemptions will increase to $675 per week.

If you have questions regarding the new minimum wage order, or would like assistance to ensure compliance, please contact one of the attorneys in Kaufman Dolowich & Voluck's Labor and Employment Group. Our firm provides employers with guidance in formulating and implementing employment practices and decisions to stay ahead of new and complex statutory regulations, and minimize their potential liability exposure.

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