

New York State DOL Increases Upstate New York Minimum Wage, Proposes Hike in Upstate Minimum Salary for Exemption

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As part of its goal of phasing in a \$15 minimum wage for all employees in New York, the State began implementing annual increases in 2016 across all regions. The annual increases are published by the Commissioner of Labor on or about October 1 of each year, and are based on percentage increases determined by the State's Division of the Budget (DOB), the primary fiscal advisor to the Governor. The increases are based on various economic indices, including the Consumer Price Index.

In its 2023 Minimum Wage Report, issued on September 30, 2022, DOB recommended a \$1 minimum wage increase—to \$14.20 per hour—for all counties outside New York City, Long Island, and Westchester, beginning December 31, 2022. Minimum wage in the three Downstate regions remains at \$15 per hour.

Labor Commissioner Roberta Reardon accepted DOB's recommendation, and by <u>order</u> dated September 30, 2022, implemented the Upstate minimum wage increase effective 30 days after notice being filed in at least ten New York newpapers of general circulation. (The Governor and Labor Commissioner do not need the Legislature's consent to implement minimum wage increases—they are authorized to do so administratively, through wage orders.)

Along with the minimum wage increase, a number of other corresponding thresholds will increase for Upstate workers come December 31, including allowances for meals, lodging, and utilities; tip credits; and uniform maintenance pay. In addition, the DOL has proposed an increase in the minimum salary for exemption of executive and administrative employees (from \$990 to \$1,064.25 per week). Unlike federal law, New York has no minimum salary for exemption of professional employees—so the federal minimum weekly salary of \$684 per week will govern.

The increases will be codified in 12 NYCRR Parts 141 (Building Service Industry), 142 (Miscellaneous Industries), 143 (Certain Nonprofit Making Institutions), and 146 (Hospitality Industry). A copy of the proposed regulatory text, reflecting all increases, is here.

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