



COMPLIANCE BULLETIN

HIGHLIGHTS

- The minimum wage rate in New York depends on the employer's size and geographic location.
- The minimum wage rate in California depends on the employer's size.
- Employers should review employee wage rates and required posters to ensure compliance with state laws.

IMPORTANT DATES

December 31, 2018

New minimum wage rate effective in New York.

January 1, 2019

New minimum wage rates effective in 18 states.

July 1, 2019

New minimum wage rates effective in Oregon and Washington D.C.

2019 Minimum Wage Rates

OVERVIEW

The current federal minimum wage rate is **\$7.25 per hour**. However, many states have adopted minimum wage rates higher than the federal rate. When the state rate and the federal rate are different, employers must pay their employees the higher rate. The following states have adopted new minimum wage rates for 2019:

- | | | |
|--------------|-----------------|-------------------|
| ✓ Alaska | ✓ Massachusetts | ✓ Ohio |
| ✓ Arizona | ✓ Minnesota | ✓ Oregon |
| ✓ Arkansas | ✓ Michigan | ✓ Rhode Island |
| ✓ California | ✓ Missouri | ✓ South Dakota |
| ✓ Colorado | ✓ Montana | ✓ Vermont |
| ✓ Delaware | ✓ New Jersey | ✓ Washington |
| ✓ Florida | ✓ New York | ✓ Washington D.C. |
| ✓ Maine | | |

ACTION STEPS

Affected employers should review their employees' pay rates and update their minimum wage poster notices as necessary to ensure compliance with local wage and hour regulations.

Provided By:

SL Goodell Insurance Services, Inc.

COMPLIANCE BULLETIN

New York

New York's minimum wage rates vary based on the type of employer and their location in the state. The following minimum wage rates apply **effective Dec. 31, 2018**:

| Area/Region | Affected Employers | New Rate |
|---------------------------------------|---|----------|
| New York City | Large employers (11 or more employees) | \$15 |
| | Small employers (10 or fewer employees) | \$13.50 |
| Nassau, Suffolk, Westchester counties | All employers | \$12 |
| Remainder of the state | All employers | \$11.10 |
| | Fast food workers | \$12.75 |

Visit the New York Department of Labor [website](#) for more information on minimum wage rates for tipped employees.

California

| Affected Employers | New Rate | Effective Date |
|--------------------------------------|----------|----------------|
| Employers with 26 or more employees | \$12 | Jan. 1, 2019 |
| Employers with 25 or fewer employees | \$11 | Jan. 1, 2019 |

California law does not allow employers to use a tip credit. Visit the California Department of Industrial Relations [website](#) for more information on California wage orders.

Other States

| State | 2019 Rate | Effective Date | Tip Rate/Notes (Employees must qualify for tip rate before the rate applies) |
|-------------|-----------|----------------|--|
| Alabama | \$7.25 | N/A | No state minimum wage rate. The federal rate applies. |
| Alaska | \$9.89 | Jan. 1, 2019 | Tips do not count toward the minimum wage. |
| Arizona | \$11.00 | Jan. 1, 2019 | \$3 below minimum wage rate for tipped employees. |
| Arkansas | \$9.25 | Jan. 1, 2019 | \$2.63 rate for tipped employees. |
| Colorado | \$11.10 | Jan. 1, 2019 | \$8.08 rate for tipped employees. |
| Connecticut | \$10.10 | N/A | 36.8 percent gratuity allowance for waitpersons and 18.5 percent for bartenders. |
| Delaware | \$8.75 | Jan. 1, 2019 | \$2.23 rate for tipped employees. |
| | \$9.25 | Oct. 1, 2019 | |

COMPLIANCE BULLETIN

| State | 2019 Rate | Effective Date | Tip Rate/Notes (Employees must qualify for tip rate before the rate applies) |
|----------------|---------------|----------------|--|
| D.C. | \$14.00 | July 1, 2019 | \$3.89 rate for tipped employees. |
| Florida | \$8.46 | Jan. 1, 2019 | \$5.44 rate for tipped employees. |
| Georgia | \$5.15 | N/A | The \$7.25 federal rate applies to employers covered by the FLSA. |
| Hawaii | \$10.10 | N/A | \$9.35 for tipped employees. |
| Idaho | \$7.25 | N/A | \$3.35 per hour for tipped employees. |
| Illinois | \$8.25 | N/A | Tip credit cannot exceed 40 percent of the applicable minimum wage. |
| Indiana | \$7.25 | N/A | \$2.13 for tipped employees. |
| Iowa | \$7.25 | N/A | \$4.35 for tipped employees. |
| Kansas | \$7.25 | N/A | \$2.13 for tipped employees. |
| Kentucky | \$7.25 | N/A | \$2.13 for tipped employees. |
| Louisiana | \$7.25 | N/A | No state minimum wage rate. The federal rate applies. |
| Maine | \$11.00 | Jan. 1, 2019 | Tip credit cannot exceed 50 percent of the minimum wage rate. |
| Maryland | \$10.10 | N/A | \$3.63 for tipped employees. |
| Massachusetts | \$12.00 | Jan. 1, 2019 | \$4.35 for tipped employees. |
| Michigan | \$9.45 | Early 2019* | \$3.52 for tipped employees. |
| Minnesota | \$9.86/\$8.04 | Jan. 1, 2019 | No tip credit allowed. The higher rate applies to large employers (those with annual gross revenue of \$500,000 or more). |
| Mississippi | \$7.25 | N/A | No state minimum wage rate. The federal rate applies. |
| Missouri | \$8.60 | Jan. 1, 2019 | \$4.30 (half the current minimum rate) for tipped employees. |
| Montana | \$8.50/\$4.00 | Jan. 1, 2019 | No tip credit, meal credit or training wage is allowed. The lower rate applies to business with gross annual sales of \$110,000 or less. |
| Nebraska | \$9.00 | N/A | \$2.13 for tipped employees. |
| Nevada | \$8.25/\$7.25 | N/A | The \$8.25 rate applies to employees without health benefits. No tip credit is allowed. |
| New Hampshire | \$7.25 | N/A | Tipped employees must receive 45 percent of the applicable rate. |
| New Jersey | \$8.85 | Jan. 1, 2019 | \$2.13 for tipped employees. |
| New Mexico | \$7.50 | N/A | \$2.13 for tipped employees. |
| North Carolina | \$7.25 | N/A | \$2.13 for tipped employees. |
| North Dakota | \$7.25 | N/A | \$4.86 for tipped employees. |

This Compliance Bulletin is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

COMPLIANCE BULLETIN

| State | 2019 Rate | Effective Date | Tip Rate/Notes (Employees must qualify for tip rate before the rate applies) |
|----------------|---------------------|----------------|--|
| Ohio | \$8.55/\$7.25 | Jan. 1, 2019 | \$4.30 for tipped employees. The lower rate applies to employers with annual gross receipts of \$314,000 or less. |
| Oklahoma | \$7.25/\$2.00 | N/A | The higher rate applies to employers with 10 or more full-time employees at any one location and employers with annual gross sales over \$100,000; all others are subject to state minimum wage of \$2.00. |
| Oregon | \$11.25/ \$11.00 | July 1, 2019 | The lower rate applies to employers in rural counties. No tip credit allowed. The minimum wage rate for the Portland metro area will increase to \$12.50 per hour. |
| Pennsylvania | \$7.25 | N/A | \$2.83 for tipped employees. |
| Rhode Island | \$10.50 | Jan. 1, 2019 | \$3.89 for tipped employees. |
| South Carolina | \$7.25 | N/A | No state minimum wage rate. The federal rate applies. |
| South Dakota | \$9.10 | Jan. 1, 2019 | \$4.55 for tipped employees. |
| Tennessee | \$7.25 | N/A | No state minimum wage rate. The federal rate applies. |
| Texas | \$7.25 | N/A | \$2.13 for tipped employees. |
| Utah | \$7.25 | N/A | \$2.13 for tipped employees. |
| Vermont | \$10.78 | Jan. 1, 2019 | \$5.39 for tipped employees. |
| Virginia | \$7.25 | N/A | \$2.13 for tipped employees. |
| Washington | \$12.00 | Jan. 1, 2019 | No tip credit allowed. |
| West Virginia | \$8.75/\$7.25 | N/A | The lower rate applies to employers with five or fewer employees. Employers can take a tip credit of up to 70 percent of the state rate. |
| Wisconsin | \$7.25 | N/A | \$2.33 for tipped employees. |
| Wyoming | \$5.15 | N/A | \$2.13 for tipped employees. The \$7.25 federal rate applies to employers covered by the FLSA. |

**While the new minimum wage rate in Michigan was set to take effect as of Jan. 1, 2019, under the original minimum wage law, the current law (as amended by [Public Act No. 368](#)) makes this change effective 90 days after the state legislature adjourns. According to the [Michigan Chamber of Commerce](#), this date will fall around the end of March 2019. The Michigan Department of Licensing and Regulatory Affairs (LARA), however, has not confirmed this and has yet to even mention the new law on its website. Therefore, Michigan employers with two or more employees should watch for more information about exactly when they must begin paying their employees at least \$9.45 per hour in 2019.*