



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, 2017

New minimum wage rate effective in New York.

January 1, 2018

New minimum wage rates effective in 15 states.

July 1, 2018

New minimum wage rates effective in two states and Washington D.C.

Provided By:

Fusco & Orsini Insurance
Services

2018 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 2018:

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

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.

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New York

Affected Employers	New Rate	Effective Date
New York City (NYC) large employers: At least one employee in NYC and 11 or more employees among all other worksites at any time during the current or prior calendar year. (This minimum wage rate is payable to any employees that work in NYC.)	\$13	Dec. 31, 2017
NYC small employers: At least one employee in NYC and 10 or fewer employees among all other worksites at any time during the current or prior calendar year. (This minimum wage rate is payable to any employees that work in NYC.)	\$12	Dec. 31, 2017
Employers in Long Island and Westchester	\$11	Dec. 31, 2017
Employers in the remainder of the state of New York	\$10.40	Dec. 31, 2017

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	\$11	Jan. 1, 2018
Employers with 25 or fewer employees	\$10.50	Jan. 1, 2018

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	2018 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	\$9.84	Jan. 1, 2018	Tips do not count toward the minimum wage.
Arizona	\$10.50	Jan. 1, 2018	\$3 below minimum wage rate for tipped employees.
Arkansas	\$8.50	N/A	\$2.63 rate for tipped employees.
Colorado	\$10.20	Jan. 1, 2018	\$7.18 rate for tipped employees.
Connecticut	\$10.10	N/A	36.8 percent gratuity allowance for waitpersons and 18.5 percent for bartenders.

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State	2018 Rate	Effective Date	Tip Rate/Notes (Employees must qualify for tip rate before the rate applies)
Delaware	\$8.25	N/A	\$2.23 rate for tipped employees.
D.C.	\$13.25	July 1, 2018	\$3.89 rate for tipped employees.
Florida	\$8.25	Jan. 1, 2018	\$5.23 rate for tipped employees.
Georgia	\$5.15	N/A	The \$7.25 federal rate applies to employers covered by the FLSA.
Hawaii	\$10.10	Jan. 1, 2018	\$9.35 for tipped employees.
Idaho	\$7.25	N/A	\$3.35 per hour for tipped employees.
Illinois	\$8.25	N/A	Credit for tips may not 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	\$10	Jan. 1, 2018	Tip credit cannot exceed 50 percent of the minimum wage rate.
Maryland	\$10.10	July 1, 2018	\$3.63 for tipped employees.
Massachusetts	\$11.00	N/A	The service rate is \$3.75.
Michigan	\$9.25	Jan. 1, 2018	\$3.52 for tipped employees.
Minnesota	\$9.65/\$7.87	Jan. 1, 2018	No tip credit allowed. Higher rate applies to large employers. Lower rate applies to small employers.
Mississippi	\$7.25	N/A	No state minimum wage rate. The federal rate applies.
Missouri	\$7.85	Jan. 1, 2018	\$3.85 (half the current minimum rate) for tipped employees.
Montana	\$8.30/\$4	Jan. 1, 2018	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. The \$7.25 rate applies to employees with health benefits. No tip credit allowed.
New Hampshire	\$7.25	N/A	Tipped employees must receive 45 percent of the applicable rate.
New Jersey	\$8.60	Jan. 1, 2018	\$2.13 for tipped employees.
New Mexico	\$7.50	N/A	\$2.13 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.

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State	2018 Rate	Effective Date	Tip Rate/Notes (Employees must qualify for tip rate before the rate applies)
North Carolina	\$7.25	N/A	\$2.13 for tipped employees.
North Dakota	\$7.25	N/A	\$4.86 for tipped employees.
Ohio	\$8.30/\$7.25	N/A	\$4.15 for tipped employees. The \$7.25 rate is for employers grossing \$299,000 or less.
Oklahoma	\$7.25/\$2.00	N/A	The \$7.25 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	\$10.75	July 1, 2018	No tip credit allowed. The minimum wage rate for the Portland metro area will increase to \$12 per hour and to \$10.50 in nonurban counties.
Pennsylvania	\$7.25	N/A	\$2.83 for tipped employees.
Rhode Island	\$10.10	Jan. 1, 2018	\$3.89 for tipped employees.
South Carolina	None	N/A	
South Dakota	\$8.85	Jan. 1, 2018	\$4.425 for tipped employees.
Tennessee	None	N/A	
Texas	\$7.25	N/A	\$2.13 for tipped employees.
Utah	\$7.25	N/A	\$2.13 for tipped employees.
Vermont	\$10.50	Jan. 1, 2018	\$5.25 for tipped employees.
Virginia	\$7.25	N/A	\$2.13 for tipped employees.
Washington	\$11.50	Jan. 1, 2018	No tip credit allowed.
West Virginia	\$8.75	N/A	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.

More Information

Please contact Fusco & Orsini Insurance Services for more information on wage and hour laws.