

New York State Minimum Wage Set to Increase in 2024

2 min read

Jun 26, 2023

On May 3, 2023, Governor Kathy Hochul signed the New York State 2024 Budget Agreement into law, which contained increases to the State's minimum wage. New York State's minimum wage rate is divided into two regions: (1) "Downstate," which consists of New York City (New York, Kings, Queens, Bronx, and Richmond Counties), Nassau County, Suffolk County, and Westchester County; and (2) "The remainder of the State."

The following chart reflects the new minimum wage rate, which is set to go into effect on January 1, 2024:

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

In contrast to previous years, the new minimum wage rates apply to all New York employers, regardless of the employers' size. In addition, starting January 1, 2027, increases to the State's minimum wage rates will be based on a three-year average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). However, there will be no increase in the minimum wage if: (a) The CPI-W for the preceding year is negative; (b) New York State unemployment rate increases by one-half percent or more; or (c) The total non-farm employment statewide (measured seasonally) decreases. The Department of Labor is required to publish future adjusted minimum wage rates no later than October 1st of each year.

The State's Budget Agreement did not directly address the impact of the minimum wage increases on exempt employees (i.e., executive and administrative employees); however, the legislation did mandate that the Commissioner increase all monetary amounts in the same proportion as the increases to the hourly minimum wage. Historically, the exempt employee salary threshold has been set at 75 times the minimum wage rate. Accordingly, the following chart is used to preview the potential increases to the weekly salary requirement for exempt employees:

Effective Date	New York City, Westchester, Nassau, Suffolk Counties		All Other Counties In New York
Current	\$1,125 Per Week/\$58,500 Per Year		\$1,064.25 Per Week/\$55,341 Per Year
January 1, 2024	\$1,200 Per Week/\$62,400 Per Year		\$1,125 Per Week/\$58,500 Per Year
January 1, 2025	\$1,237.50 Per Week/\$64,350 Per Year		\$1,162.50 Per Week/\$60,450 Per Year
January 1, 2026	\$1,275 Per Week/\$66,300 Per Year		\$1,200 Per Week/\$62,400 Per Year

Hinshaw & Culbertson LLP is a U.S.-based law firm with offices nationwide. The firm’s national reputation spans the insurance industry, the financial services sector, professional services, and other highly regulated industries. Hinshaw provides holistic legal solutions—from litigation and dispute resolution, and business advisory and transactional services, to regulatory compliance—for clients of all sizes. Visit www.hinshawlaw.com for more information and follow @Hinshaw on LinkedIn and X.

Topics

New York, New York Minimum Wage