

# **Compliance Overview**

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## 2023 State Minimum Wage Rates

The current federal minimum wage rate is \$7.25 per hour. However, several states have adopted minimum wage rates higher than the federal rate. When both the state rate and the federal rate apply, employers must pay their employees the higher rate. The following states have announced new minimum wage rates for 2023:

- Alaska
- Arizona
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Illinois

- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Montana
- Nebraska
- Nevada

- New Jersey
- New Mexico
- New York
- Ohio
- Rhode Island
- South Dakota
- Vermont
- Virginia
- Washington

#### **IMPORTANT DATES**

- Dec. 31, 2022: New minimum wage rate outside of New York City, Long Island and Westchester
- Jan. 1, 2023: New minimum wage rates for 22 states and new tipped wage rate for District of Columbia
- June 1, 2023: New minimum wage rate in Connecticut
- July 1, 2023: New minimum wage rate in Nevada
- Sept. 30, 2023: New minimum wage rate in Florida

#### LINKS AND RESOURCES

- U.S. Department of Labor table of minimum wage by state
- U.S. Department of Labor <u>federal minimum wage page</u>

### **Minimum Wage Rate by State**

The table below provides a high-level summary of minimum wage rates by state and important provisions that regulate how these rates apply.

Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
Alabama	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Alaska	\$10.85	Jan. 1, 2023	Tips do not count toward the minimum wage.
Arizona	\$13.85	Jan. 1, 2023	\$10.85 (\$3 below minimum wage rate) for tipped employees.
Arkansas	\$11	Already in effect	\$2.63 for tipped employees. The state rate applies to employers with four or more employees.
California	\$15.50	Jan. 1, 2023	California does not allow employers to use a tip credit. Visit the California Department of Industrial Relations <u>website</u> for state wage orders.
Colorado	\$13.65	Jan. 1, 2023	\$10.63 for tipped employees.

Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
Connecticut	\$15	June 1, 2023	<ul><li>\$6.38 for tipped workers</li><li>\$8.23 for bartenders</li></ul>
D.C.	\$16.10	Already in effect	\$6 per hour for tipped employees on Jan.1, 2023 and \$8 per hour for tipped employees on July 1, 2023
Delaware	\$11.75	Jan. 1, 2023	\$2.23 for tipped employees
Florida	\$12	Sept. 30, 2023	\$8.98 for tipped employees.
Georgia	\$7.25	Already in effect	A \$5.15 state rate applies only to workers not covered by the FLSA (very limited exception).
Hawaii	\$12	Already in effect	The maximum allowed tip credit toward the minimum wage is 75 cents per hour.
Idaho	\$7.25	Already in effect	\$3.35 for tipped employees.
Illinois	\$13	Jan. 1, 2023	The state rate applies to employers with four or more employees. Tip credit cannot exceed 40% of the applicable minimum wage.  • \$7.80 for tipped employees • \$10.50 for youth under the age of 18 working fewer than 650 hours per calendar year
Indiana	\$7.25	Already in effect	\$2.13 for tipped employees.
lowa	\$7.25	Already in effect	\$4.35 for tipped employees.
Kansas	\$7.25	Already in effect	\$2.13 for tipped employees.
Kentucky	\$7.25	Already in effect	\$2.13 for tipped employees.
Louisiana	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Maine	\$13.80	Jan. 1, 2023	\$6.90 for tipped employees
Maryland	\$13.25	Jan. 1, 2023	<ul> <li>The state rate applies to employers with 15 or more employees.</li> <li>\$3.63 for tipped employees</li> <li>\$12.80 for employers with 14 or fewer employees</li> <li>Different rates may apply for Montgomery and Prince George counties.</li> </ul>
Massachusetts	\$15	Jan. 1, 2023	\$6.75 for tipped employees.
Michigan	\$10.10	Jan. 1, 2023	<ul> <li>\$3.84 for tipped employees</li> <li>\$8.59 for minors 16 or 17 years of age (85% of state rate)</li> <li>\$4.25 training wage for newly hired employees ages 16 to 19 for their first 90 days of employment (unchanged)</li> </ul>
Minnesota	\$10.59/\$8.63	Jan. 1, 2023	No tip credit allowed. The higher rate applies to large employers (\$500,000 or more in annual gross revenue). The \$8.63 rate applies to:  • Small employers • Employees under 18 years of age (youth wage) • Employees under 20 years of age during their first 90 days of work (training wage)
Mississippi	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.

Jurisdiction	2023 Rate	<b>Effective</b>	Tip Rate/Notes
Missouri	\$12	Jan. 1, 2023	\$6 (50% of the current minimum rate) for tipped employees.
Montana	\$9.95/\$4	Jan. 1, 2023	No tip credit, meal credit or training wage is allowed. The lower rate applies to businesses with gross annual sales of \$110,000 or less that are not covered by federal minimum wage law.
Nebraska	\$10.50	Jan. 1, 2023	\$2.13 for tipped employees.
Nevada	\$11.25/10.25	July 1, 2023	The higher rate applies to employees without health benefits. No tip credit is allowed.
New Hampshire	\$7.25	Already in effect	Tipped employees must receive 45% of the applicable rate.
New Jersey	\$14.13	Jan. 1, 2023	The state rate applies to employers with six or more employees. Additional rates may apply to: •\$12.93 for seasonal and small employers  • \$12.10 for employees who work on a farm for an hourly or piece rate • \$17.13 for long-term care facility direct care staff • \$5.26 for tipped worker cash wage (employers can claim an \$8.87 tip credit)
New Mexico	\$12	Jan. 1, 2023	\$3 for tipped employees.
New York	\$15 / \$14.20	Dec. 31. 2022	<ul> <li>\$15 for employees in New York City, fast food workers, Long Island and Westchester employees</li> <li>\$14.20 for the remainder of the state Additional rates may apply under specific industry wage orders. Visit the New York Department of Labor website for more minimum wage rate information.</li> </ul>
North Carolina	\$7.25	Already in effect	\$2.13 for tipped employees.
North Dakota	\$7.25	Already in effect	\$4.86 for tipped employees.
Ohio	\$10.10	Jan. 1, 2023	\$5.05 for tipped employees. Employers that gross less than \$371,000 must pay their employees no less than the current federal minimum wage rate.
Oklahoma	\$7.25/\$2	Already in effect	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 other employees not covered by the FLSA are subject to the state minimum wage of \$2 per hour.
Oregon	\$13.50	Already in effect	No tip credit allowed. The following minimum wage rates also apply:  • \$14.75 for the Portland metropolitan area  • \$12.50 for nonurban counties
Pennsylvania	\$7.25	Already in effect	\$2.83 for tipped employees.
Rhode Island	\$13	Jan. 1, 2023	\$3.89 for tipped employees.
South Carolina	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
South Dakota	\$10.80	Jan. 1, 2023	\$5.40 for tipped employees.
Tennessee	\$7.25	Already in effect	No state minimum wage rate. The federal rate applies.
Texas	\$7.25	Already in effect	\$2.13 for tipped employees.
Utah	\$7.25	Already in effect	\$2.13 for tipped employees.

Jurisdiction	2023 Rate	Effective	Tip Rate/Notes
Vermont	\$13.18	Jan. 1, 2023	\$6.59 for tipped employees.
Virginia	\$12	Jan. 1, 2023	The minimum wage for tipped employees in Virginia is the same as the minimum wage for all other employees.
Washington	\$15.74	Jan. 1, 2023	No tip credit allowed. Workers who are 14 or 15 years old may be paid 85% of the state minimum wage rate or \$13.38 per hour.
West Virginia	\$8.75	Already in effect	The state rate applies to employers with six or more employees. Employers can take a tip credit of up to 70 percent of the state rate.
Wisconsin	\$7.25	Already in effect	\$2.33 for tipped employees.
Wyoming	\$5.15	Already in effect	\$2.13 for tipped employees. The \$7.25 federal rate applies to employers covered by the FLSA.

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