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November 29, 2023

November Tip of the Month: New York Minimum Wage Set To Increase in 2024



Beginning January 1, 2024, the state minimum wage in New York will increase. Subject to limited exceptions, it will then continue to increase annually thereafter.

By way of example, effective January 1, 2024, the hourly minimum wage in New York City and Nassau, Suffolk, and Westchester counties (collectively, Downstate) will increase to \$16.00, followed by increases to \$16.50 and \$17.00 on January 1, 2025, and January 1, 2026, respectively. As of January 1, 2027, the state minimum wage will then continue to increase annually based on the rate of inflation, as measured by a particular consumer price index (CPI). The minimum wage will not, however, increase in a given year if the applicable CPI for the preceding year is negative or the state unemployment rate increases by half a percentage point from its low during the preceding year, among other factors. In view of the foregoing minimum wage increases, the New York State Department of Labor has correspondingly proposed—but not yet finalized—changes to various Wage Orders to proportionally raise salary thresholds in connection with certain overtime exemptions. For example, if enacted, the annual salary threshold for Downstate employees to qualify for the administrative and executive exemptions would increase to \$62,400 on January 1, 2024, \$64,350 on January 1, 2025, and \$66,300 on January 1, 2026. Employers should promptly begin preparing to implement these forthcoming and anticipated changes, including reviewing employees' exemption status, assessing overtime practices, and coordinating with payroll providers.

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