



As [previously reported](#), on May 3, 2023, New York Governor Kathy Hochul signed into law the FY2024 New York State Budget Agreement (the Budget), which includes legislation increasing the state's minimum wage rate over the next three years.

Specifically, the Budget amended Section 652 of the New York Labor Law (NYLL) as follows:

| Effective Date | New York City, Westchester, Nassau, and Suffolk Counties | All Other Counties in New York State |
|-----------------------|---|---|
| January 1, 2024 | \$16.00 | \$15.00 |

| | | |
|--------------------|---------|---------|
| January 1, 2025 | \$16.50 | \$15.50 |
| January 1, 2026 | \$17.00 | \$16.00 |

The Budget also addressed minimum wage rates beyond 2026. Effective January 1, 2027, increases to the minimum wage rate will be based on inflation as measured by the Consumer Price Index for Northeast Region Urban Wage Earners and Clerical Workers (CPI-W). However, the minimum wage rate will not increase if any of the following exceptions apply:

- The prior year's CPI-W is negative.
- The statewide unemployment rate increases by 0.5% or more.
- The total non-farm employment statewide decreases (measured seasonally).

Unlike prior minimum wage rate increases, this legislation does not distinguish minimum wage rates based on the employer's number of employees.

Changes to Wage Orders

The legislation did not directly address changes to other applicable wage rates and credits, known as "wage orders," which are instead set annually through the New York State Department of Labor (DOL). Instead, the law provides that the amounts in the wage orders shall increase proportionally to the applicable minimum wage. Accordingly, in view of the foregoing minimum wage increases, the DOL has correspondingly proposed—but not yet finalized—[changes to various wage orders to proportionally raise salary thresholds in connection with certain overtime exemptions](#), outlined below:

Salary Threshold for Administrative and Executive Exemptions

| Effective Date | New York City, Westchester, Nassau, and Suffolk Counties | All Other Counties in New York State |
|-----------------|--|--------------------------------------|
| January 1, 2024 | \$1,200 per week | \$1,125 per week |
| January 1, 2025 | \$1,237.50 per week | \$1,162.50 per week |
| January 1, 2026 | \$1,275 per week | \$1,200 per week |

Food Service Workers Under the Hospitality Wage Order (New York City, Westchester, Nassau, and Suffolk Counties)

| | Minimum Wage | Cash Wage | Overtime Cash Wage | Tip Credit |
|-----------------|--------------|-----------|--------------------|------------|
| January 1, 2024 | \$16.00 | \$10.65 | \$18.65 | \$5.35 |
| January 1, 2025 | \$16.50 | \$11.00 | \$19.25 | \$5.50 |
| January 1, 2026 | \$17.00 | \$11.35 | \$19.85 | \$5.65 |

Food Service Workers Under the Hospitality Wage Order (Rest of New York)

| | Minimum Wage | Cash Wage | Overtime Cash Wage | Tip Credit |
|-----------------|--------------|-----------|--------------------|------------|
| January 1, 2024 | \$15.00 | \$10.00 | \$17.50 | \$5.00 |
| January 1, 2025 | \$15.50 | \$10.35 | \$18.10 | \$5.15 |
| January 1, 2026 | \$16.00 | \$10.70 | \$18.70 | \$5.30 |

Service Employees Under the Hospitality Wage Order (New York City, Westchester, Nassau, and Suffolk Counties)

| | Minimum Wage | Cash Wage | Overtime Cash Wage | Tip Credit | Tip Credit Threshold |
|--|--------------|-----------|--------------------|------------|----------------------|
|--|--------------|-----------|--------------------|------------|----------------------|

| | | | | | |
|-----------------|---------|---------|---------|--------|--------|
| January 1, 2024 | \$16.00 | \$13.35 | \$21.35 | \$2.65 | \$3.45 |
| January 1, 2025 | \$16.50 | \$13.75 | \$22.00 | \$2.75 | \$3.55 |
| January 1, 2026 | \$17.00 | \$14.15 | \$22.65 | \$3.55 | \$3.65 |

**Service Employees Under the Hospitality Wage Order
(Rest of New York)**

| | Minimum Wage | Cash Wage | Overtime Cash Wage | Tip Credit | Tip Credit Threshold |
|-----------------|---------------------|------------------|---------------------------|-------------------|-----------------------------|
| January 1, 2024 | \$15.00 | \$12.50 | \$20.00 | \$2.50 | \$3.20 |
| January 1, 2025 | \$15.50 | \$12.90 | \$20.90 | \$2.60 | \$3.30 |
| January 1, 2026 | \$16.00 | \$13.30 | \$21.30 | \$2.70 | \$3.40 |

**Changes to Meal Credit
(New York City, Westchester, Nassau, and Suffolk Counties)**

| | Food Service Employees | Service Employees | Non-Service Employees |
|-----------------|-------------------------------|--------------------------|------------------------------|
| January 1, 2024 | \$3.85 | \$4.45 | \$5.50 |
| January 1, 2025 | \$3.95 | \$4.60 | \$5.65 |
| January 1, 2026 | \$4.05 | \$4.75 | \$5.80 |

**Changes to Meal Credit
(The Rest of New York)**

| | Food Service Employees | Service Employees | Non-Service Employees |
|-----------------|-------------------------------|--------------------------|------------------------------|
| January 1, 2024 | \$3.80 | \$3.95 | \$4.10 |
| January 1, 2025 | \$4.10 | \$4.25 | \$4.40 |
| January 1, 2026 | \$5.20 | \$5.35 | \$5.50 |

**Changes to Uniform Allowance
(New York City, Westchester, Nassau, and Suffolk Counties)**

| | Work More Than 30 Hours | Work 20-30 Hours | Work Less Than 20 Hours |
|-----------------|--------------------------------|-------------------------|--------------------------------|
| January 1, 2024 | \$19.90 | \$15.75 | \$9.50 |
| January 1, 2025 | \$20.50 | \$16.25 | \$9.80 |
| January 1, 2026 | \$21.10 | \$16.75 | \$10.10 |

**Changes to Uniform Allowance
(Rest of New York)**

| | Work More Than 30 Hours | Work 20-30 Hours | Work Less Than 20 Hours |
|-----------------|--------------------------------|-------------------------|--------------------------------|
| January 1, 2024 | \$18.65 | \$14.80 | \$8.95 |
| January 1, 2025 | \$19.25 | \$15.30 | \$9.25 |
| January 1, 2026 | \$19.85 | \$15.80 | \$9.55 |

Employers with operations in New York state should review these minimum wage increases and ensure compliance.

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