



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 amends 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
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January 1, 2024	\$16.00	\$15.00
January 1, 2025	\$16.50	\$15.50
January 1, 2026	\$17.00	\$16.00

The Budget also addresses 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).

The New York State Department of Labor (DOL) will be responsible for monitoring these indicators and must publish any minimum wage rate increase no later than October 1 of each year.

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

The Budget also does not increase the minimum salary thresholds for exempt status under the NYLL. Likewise, the Budget does not affect any minimum wage orders currently in place, including wage orders addressing gratuities and allowances. The DOL may amend these wage orders to account for the minimum wage increases taking effect in 2024, but no action has been taken to date.

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

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