

Are you ready for Minimum Wage?

While many people have heard about the minimum wage increases and the eventual phase in to \$15.00 there were other components such as paid family leave that will impact businesses and some additional deductions for employees.

Minimum Wage

After much debate, the Legislature adopted a new minimum wage for New York State that includes different scheduled increases for different parts of the state.

For the Upstate Region –

- \$9.70 on and after December 31, 2016
- \$10.40 on and after December 31, 2017
- \$11.10 on and after December 31, 2018
- \$11.80 on and after December 31, 2019
- \$12.50 on and after December 31, 2020

Thereafter, on each following December 31st, a wage will be published by the Commissioner of Labor determined by the Director of the Budget in consultation with the Commissioner, totaling no more than fifteen dollars (\$15.00), where the percentage increase shall be based on a variety of indices selected to determine the state of the economy and the appropriateness of subsequent minimum wage increases.

In addition, the wage for an employee who is a food service worker receiving tips shall be a cash wage of at least two-thirds of the minimum wage rates in effect for each region. As part of this agreement, the Governor is precluded from using wage board authority to implement a higher minimum wage than provided for in this implementation schedule; the agreement also authorized the Department of Labor to modify the fast food wage order to conform with this minimum wage schedule.

Tipped Employees for the Upstate Region-

- \$7.50 with tip credit \$2.20 totaling \$9.70 on and after December 31, 2016
- \$7.50 with tip credit \$2.90 totaling \$10.40 on and after December 31, 2017
- \$7.50 with tip credit \$3.60 totaling \$11.10 on and after December 31, 2018

U. S. Department of Labor Overtime rules- A federal judge blocked the DOL's overtime rule on November 22, 2016, delaying it indefinitely.

Currently, the FLSA (Fair Labor Standards Act) requires employers to pay overtime only to nonexempt employees with annual salaries of less than \$23,660 (\$455/wk). [Overtime pay is one-and-a-half times an employee's regular rate of pay when he/she works more than 40 hours in a week.].

The new rule was scheduled to take effect on December 1, 2016, roughly doubles what minimum salaried employees can earn before they are classified as exempt from receiving overtime pay for working more than 40 hours a week. The new standard salary level of \$913 per week or \$47,476 a year, would be eligible to receive time-and-a-half overtime pay.